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CORN AND CURRENCY;
IN
AN ADDRESS
TO
THE LAND OWNERS.

BY
SIR JAMES GRAHAM, BART. M.P.
OF NETHERBY.

Third Edition, with Additions.

Quippe ubi fas versum atque nefas, tot bella per orbem,
Tam multæ scelerum facies: non ullus *aratro*
Dignus honos; squalent abductis arva colonis.

Virgil, Georgic 1, v. 505.

“It requires some thought and reflection to discover the principles by which
we can reconcile reason to experience.”

Hume's Essay on Money.

LONDON:
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ADDRESS

TO

THE LAND OWNERS.

I AM aware that you will not be inclined to attend to the suggestions which I am about to offer: past errors are admitted with reluctance; measures of precaution, especially if they be of a decisive character, are slowly adopted against dangers which are not immediate: and the course of legislation is very rarely the result of previous wisdom; it is rather guided by circumstances, and influenced by the occasion.

You are disposed, both by prejudice and habit, to await the course of events, and to place implicit reliance on the wisdom of the Government, rather than, by the exercise of your controlling power, to avert the evils which you foresee, or to provide the defences which your safety may require.

The other productive classes of the community guard their respective interests in a far different manner; if a measure of Government affect, or slightly threaten, the manufacturing or commercial body, all minor differences are merged in the unanimous opposition which at once is organised:

and energy and concert are found equal to counterbalance the want of political power.

But the Land Owners of these realms, while their property is melting away, while their station in society is in danger, while their incumbrances are increasing and their means diminishing, do not seek to discover the real causes of the evil, and unite to obtain the proper remedy ; but they dissipate their strength in a fruitless struggle of parties. One faction clings to the Government of the day, and blindly supports its prodigal expenditure, in the hope of sharing its patronage, and of making that provision out of the public purse for dependants, which the hereditary family estates can no longer bear ; while the opposite faction, irritated by disappointment and long exclusion from all participation in Government, is tempted almost to triumph in the ills which their antagonists have created, and seeks a vain consolation amidst national misfortunes, in ascribing to the unbroken sway of their adversaries the common ruin which awaits them all. Angry differences are thus generated and nurtured, destructive to the great interests of the entire body ; and for the sake of the precarious benefit to be derived from the support of an Administration, or on account of the headstrong spirit of unavailing opposition, the Land Owners remain divided in this crisis of their fate, and form, what has been aptly termed, a rope of sand. But, *united*, what might not they effect ? The ancient nobility, inheriting strong

attachment to the soil which their forefathers transmitted as the shield to the family honours, constitutes still an immense majority in the House of Lords, notwithstanding the more recent infusion of less noble blood ; in the House of Commons the Landed Proprietors form a phalanx which no minister and no influence could resist, if, true to themselves, they would act in concert, and could be induced to move on one attainable object.

Even the Crown itself, whatever its first Minister may declare, must be disposed, in the balance of interests, to throw somewhat more than “ a feather* ” into the scale of land. Commerce and manufactures, with their many great advantages, bring their attendant evils. The friends of liberty regard them with no jealous eye, because they are the creatures of free government, and the parents of free inquiry ; but I can imagine that the spirit which they produce, coupled with the diffusion of wealth and sub-division of property which mark their progress, may cause no inconsiderable alarm even in the highest quarter. The evils to which I allude cannot be mistaken by any one who has compared the state of the manufacturing and of the agricultural population. Mr. Peel, himself a minister, and a judge the most competent and impartial on this particular question, declared, in his place in

* Lord Liverpool, in his place in the House of Lords, declared, that if preponderance were to be given to one interest of the state more than to another, he would cast a *feather* into the scale in favour of the land.

Parliament*, that “ a change had taken place in
 “ the manners, habits, and feelings of the manufac-
 “ turing population; that they were collected in
 “ immense cities, and differed, in their relation
 “ as regarded landlord and tenant, from the popu-
 “ lation of any other district; when he saw the great
 “ alternation of prosperity and distress which took
 “ place among them, the constant vicissitudes
 “ to which they were exposed, their impru-
 “ dence in times of prosperity, only working for
 “ two or three days in the week when they had
 “ employment, and devoting the rest to dissipation;
 “ when he recollected all the influence which a
 “ change of fashion, of speculation, or of affairs
 “ might produce on the state of these individuals,
 “ he could not deny that they were peculiarly open
 “ to the mischievous designs of demagogues.”

The contrast of an agricultural population scattered in hamlets, earning daily bread by daily labour, either possessed of a freehold, and thereby linked with the landlord, or holding as tenantry, and immediately dependant on him, requires no exposition; peace and health, and sobriety and order, are the happy fruits of rural labour.

“ Hic patiens operum, parvoque assueta juvenus,
 “ Sacra Deûm, sanctique Patres; extrema per illos
 “ Justitia excedens terris vestigia fecit.”

It is impossible to believe, in these latter days, when thrones have fallen, and kings have trembled, that this striking difference in the character of a

* Par. Deb. vol. xli. p. 623.

manufacturing and agricultural population should not be weighed and understood even in high places: though it may be lightly esteemed by Lord Liverpool, it cannot fail to give a strong bias to the royal mind in favour of the Land Owner.

Are there then no limits to the power of the Landed Proprietors, if they could be brought to act with unity of purpose, constituting, as they do, a vast majority of both Houses of Parliament, and backed, as they ultimately must be, by all the power of the Crown? I freely answer, that I know no bound but public opinion; and this is a barrier which they cannot pass. Common interests and common dangers may at last unite them, and lead to the exertion of their combined strength; but eventually it will prove insufficient, unless they enlist on their side the sense of the British public, and the interests of the great body of the people.

The seat of public opinion is in the middle ranks of life—in that numerous class, removed alike from the wants of labour and the cravings of ambition, enjoying the advantages of leisure, and possessing intelligence sufficient for the formation of a sound judgment, neither warped by interest nor obscured by passion.

Public opinion, thus constituted, cannot be outraged with impunity; and hence the established check which we possess over the legislature itself. For be it remembered, there *are* measures which King, Lords, and Commons, though united, cannot carry. It behoves, therefore, the Land Owners,

not only to act in concert, but so to frame their measures as to combine with *their own* the interest of the community, and to establish their case on grounds which they can maintain conjointly with the safety and prosperity of the State.

I do not pretend to have made any new discoveries ; I wish only to recall to your recollection the statements and the arguments employed by higher authorities, and to bring the whole case at once under your view ; for I believe that much error has been occasioned by the direction of your attention to detached parts of the subject,—at one time to the Corn Laws, at another time to the Currency ; whereas, to a right understanding of your situation, these two subjects are indissolubly united, and cannot be discussed apart, without detriment and gross injustice to your cause.

Since the year 1815, when the prohibition of the importation of foreign corn, excepting at a fixed price, was first substituted for a protecting duty, your constant and avowed object has been to raise the price of agricultural produce in this country greatly above the level of the continental markets ; the obvious effect of this has also been to raise the rate of wages, and to reduce the rate of profits. By the rise of wages the labourer gains nothing, because, when corn is dear, all the articles of first necessity are also dear. Therefore, though his wages be increased, his real reward is not greater ; but by the diminution of profits, every class of productive industry

is deeply injured*. For on all hands it is allowed, that profits fall as wages rise, and the capital of a nation is but the accumulation of the profits of its inhabitants. Rents, however, are raised by high prices, which force inferior soils into cultivation; since the lower the degree of fertility of the worst land in tillage, which yields no rent, but only reimburses the cultivator—the higher on all land of superior quality, is the extra profit beyond the ordinary return of capital, when expended on the worst. This extra profit is rent; for, in the words of Mr. Mill, “rent increases in proportion “as the effect of the capital successively bestowed “upon land decreases.” High prices, therefore, by increasing rents, benefit the landlords, but they confer no advantage on the labourer; they are an injury to the productive, and a tax on the unproductive, classes of the community.

It may be doubted even whether the existing system of prohibition be so entire a benefit to the Land Owner himself, as he would seem to imagine; for, in the variety of seasons, it is impossible that the land cultivated within these islands can, year by year, from one harvest to another, produce a supply of corn exactly commensurate with the demand. At one time, the prohibitory system is unjust to the grower; at another, to the consumer. The grower is injured, when, after an harvest somewhat deficient, the ports are opened by a sudden rise of price, and a large accumulation of

* Vide Elements of Political Economy, by Mr. Mill, Chap. II. § Rent, Wages, Profit.

foreign corn is poured at once into this country ; bringing on the farmer the losses incident to over-production, and ultimately on the landlord a correspondent decline of rent. The consumer is injured, in the interval between the rise of price and the importation of foreign grain ; he is even exposed to the horrors of famine ; for, in proportion as the demand for foreign grain is unusual, the supply in case of emergency must be precarious. Thus the alternate evils of redundancy and scarcity, unsteady prices and uncertain rents, are the inevitable consequences of the present system of our Corn Laws.

Farming is therefore made both a “ gambling “ and a hazardous speculation.” No caution can guard against ruinous losses, for no prudence can foresee the chances on which they depend ; whether the price of wheat will rise to 78s. per quarter, when the profit to the farmer would be enormous, or touch the maximum of 80, when, by the opening of the ports and of the granaries of corn in bond, wheat would instantly fall at least 50 per cent. to his entire ruin, is a matter almost of accident, frequently influenced by fraud ; thus the full operation of the present Corn Laws exposes agricultural capital to losses rather incident to the hazard table than to fair mercantile speculation. Rents also must constantly vary, together with the lowest quality of the soil which the hope of profit may force into cultivation. The Land Owner can never know beforehand what is his real income ; he cannot regulate with certainty

his expenditure ; with wheat at 70, his farmers pay their rent ; with wheat at 80, on the opening of the ports, the price falls at once to 40 ; and then the rent, calculated perhaps even on the moderate scale of 56, cannot be paid. Thus revenue from the soil is literally made the sport of wind and of weather.

The landlord's best customer is the manufacturer ; but his prosperity depends entirely on high profits, which it is the avowed tendency of high prices to reduce. If corn be dearer in England than elsewhere, wages must be higher* ; and if wages be higher, profits must be lower ; thus, our foreign competitors obtain the greatest possible advantage : and if the system become permanent, manufacturing employment, except for the home market, must decrease in this country ; and surely it is not the interest of any class so to enhance the price of labour and provisions as to secure to the foreigner successful competition, and to choke with obstructions the principal channels of native industry.

The feeling of the public must be hostile to the

* It has been objected to this position, that in America corn is cheap, and wages are high ; but this is the exception, which *proves* the general rule ; for in infant States, where the population is thinly scattered, and where immense tracts of land of the first quality are still uncultivated, the supply of labour is unequal to the demand, and wages are consequently high, *notwithstanding* the cheapness of provisions ; but even there the high rate of wages, though produced by a different cause, lowers the rate of profits, and decidedly checks the growth of manufactures.

present Corn Law—the receivers of rent are a very small body—backed by public opinion, they are almost omnipotent—in violation of public opinion, they cannot long retain an exclusive advantage. The contest is fearful; for on what ground will it be decided? On the very topic which inflames to madness: that hunger, which breaks through walls, will be arrayed against them, reason will be heard no longer, the barriers of society will be broken down; and estates, distinctions, honours, swept away in one resistless torrent. Let those who seek high prices at all risks remember the words of Tacitus:

“Vulgus ad magnitudinem beneficiorum aderat: stultissimus quisque pecuniis mercabatur: apud sapientes cassa habebantur, quæ neque dari neque accipi, salvâ republicâ, poterant.”

I admit to the fullest extent, the claim of the Land Owner to a liberal protecting duty,—to such a duty as may amply countervail the peculiar taxes to which the produce of the soil is subjected in this country. Mr. Ricardo, an unexceptionable authority on this point, declares*, “That on every principle of justice, and consistently with the best interests of the country, the demand of the home grower to this extent should be acceded to;” for he says, “that a tax affecting him exclusively, is in fact a bounty to that amount on the importation of the same commodity from

* Protection to Agriculture, p. 16.

“ abroad.” Mr. Ricardo also admits*, “ that *all* the tithes fall exclusively on the agricultural interest ;” and † elsewhere he allows, “ that tithes, a portion of the poor rates, and one or two other taxes, are peculiar to the Growers of Corn, and tend to raise the price of raw produce to an extent equal to these peculiar burthens.” The aggregate amount of these burthens is very large : it is estimated by Mr. Whitmore‡ at eighteen millions annually. The land-tax alone has been collected at the rate of four shillings in the pound, and is valued as amounting to 10 per cent. on the rent throughout the kingdom§. The poor rate, county rate, and highway rate, have a decided tendency to increase : the former in proportion to the distress of the labouring classes—the two latter in proportion to the civilised improvement and growing population of the country. New bridges are built, new communications are opened, and the roads are every where placed under management, which consults rather the public convenience than frugal economy. The weight also of the administration of justice is fixed on the land, and this burthen becomes heavier, as crime increases with a more dense population. By an Act passed in this last session of Parliament, individuals have been relieved almost entirely from the expenses of crimi-

* Hansard's Par. Deb. vol. vii. p. 456.

† Protection to Agriculture, p. 15.

‡ Par. Deb. vol. xiii. p. 263.

§ Lord Lauderdale's Protest on Foreign Corn Importation Bill, p. 7.

nal prosecutions ; and the county rates have been made responsible for the prosecutor's bill of costs, not only at the sessions, but also at the assizes; even in cases of misdemeanor.

It is the boast and the pride of the Land Owners, that the most important establishments of our polity have been founded on their estates, as on a rock from which they cannot be moved. The ministers of our Established Church derive their revenues from land—the poor, the aged, and the infirm, in aid of their necessities, have a legal claim on land—the injured and the oppressed, who cannot obtain justice for themselves, or punish the wrong doer at their own expense, cast the burthen also on land : thus religion, charity, and justice have the guarantee of landed property in this country, and are its safeguards in return. All those who value genuine piety, the pure offspring of our Established Church, and who, unprejudiced by the abuse of the poor laws, still venerate their humane origin, and appreciate their utility, when cautiously administered ; all these, (and they form the best part of our community,) will strenuously resist any change of security, any transfer of the charge from land to funds. The clergy and the land owners, the poor and the proprietors, are co-parceners in the soil ; they must stand or fall together on their existing tenure : they may fall indeed ; but religion, and mercy, and justice, will fall with them ; “ and they who are buried in these “ ruins, are happier than they who survive them.”

Equity demands, however, in favour of the landed proprietor, an equivalent for the exclusive charges fixed by law on his estate; that equivalent must be a protecting duty on foreign corn imported; the *amount* of the duty is a fit subject for discussion: but here we are arrested by the past variations in the value of our currency, and the price which we have first to settle is the price of money; for it is impossible to establish a fixed protecting duty with fairness, when the standard of value is itself unfair.

This appears to me the very core of the whole subject, the point on which you have committed the most fatal errors. You have fought for high prices, and concurred in measures which render them impossible. You have retained your monopoly, but consented to a change in the value of money, which must destroy its efficacy. The ground which you still endeavour to defend, is no longer tenable; and the points which you have surrendered, ensure your defeat. If I might venture to allude to the conduct of the Landed Interest in this last session of Parliament, I should say, that it affords conclusive evidence of the blindest adherence to the single object of high prices, coupled with an entire misapprehension of the means by which this object might be attained, and of the general principles on which prices must depend; the price of commodities, and of corn amongst the rest, is compounded of *two* ingredients—of the supply in the market compared with the demand, and

also of the value of money ; itself the measure of value, liable, however, to great variation, in proportion to its quantity.

The value of money is in the inverse ratio of its quantity; the supply of commodities remaining the same,

Increase the quantity of money, prices rise.

Decrease the quantity of money, prices fall.

On the other hand, the quantity of money remaining the same,

Increase the quantity of commodities, prices fall.

Decrease the quantity of commodities, prices rise.

Thus a decrease of the quantity of money produces the same effect on the price of a commodity as an increase of the quantity of the commodity itself; if corn be that commodity, an addition to the value of money, such as the diminution of its quantity occasions, insures as effectually a fall in the price of Corn, as the opening of the ports and free importation : in which of the two cases prices would fall lowest, is a simple question of proportion between the increased supply of corn and the decreased quantity of money. These truths are elementary, and admitted as axioms; yet the conduct of the Landed Interest proceeds on a virtual denial of their validity. The high price of corn being their declared object, they direct their whole strength to the preservation of their monopoly of the supply, and at the same time contribute their support to measures designed to dimi-

nish the quantity of money, and to increase its value. Their whole attention is absorbed by *one half* of the object of price—they look only to the supply, they disregard the measure of value. By fixing the standard at £.3 17s. 10½d. for an ounce of gold, the price of a quarter of wheat was fixed, on an average of years, at from 40s. to 50s. In a *single* year of dearth, with the ports still closed against the admission of foreign grain, it is possible that the price may rise to the *maximum* of 80s., amidst the suffering and execrations of a starving populace. But in a *series* of years, since the Legislature has restored the ancient standard of value, wheat also must fall to its ancient price,—to the price which it bore in a currency of the same intrinsic worth.

The Report of the Corn Committee of 1813 establishes the fact, that the highest price of wheat, which, in the century prior to 1792, had taken place for any average period of five years, was 49s. 9d. a quarter; and this range of price is found at the commencement, as well as at the close, of the century; that is to say, the price of wheat, with no great average variation, remained uniformly under 50s. a quarter, from the first commencement of the present standard of value until our departure from it. Yet, despising the soundest theory, and neglecting concurrent experience, the Land Owners still strain at an impossibility created by themselves, and vainly hope, under their Corn Laws, to raise the price of wheat, which

the return to the ancient standard, with their full approbation, must, of necessity, reduce. As a body, up to this moment they remain undeceived ; for it is well known, that in this last session they bargained with the King's Ministers to support the further contraction of the currency, on condition that the Government did not destroy their monopoly by a repeal of the Corn Laws. It was not possible to make a more imprudent bargain : they conceded a measure which, without collateral safeguards, must prove fatal to their interest ; and they received, as the consideration, on the precarious tenure of one year, the shadow of a benefit, in fact rendered illusory by their own concession.

Even the administration which they trusted has not kept faith with them ; for, within ten days after the rejection of Mr. Whitmore's motion for an inquiry into the Corn Laws, which the Government resisted with a large majority, Lord Liverpool introduces a measure at the very close of the session, when all inquiry is impossible, and when popular feeling is most excited, the tendency of which is to subvert the existing Corn Law, and to establish a duty of twelve shillings in its place. It is the insertion of the sharp side of the wedge, to be driven home in the next session. The administration thus trusted, and so true to the landed interest, would not grant inquiry in 1825, or in April 1826 ; but in May they rush to legislation, when all inquiry is impossible ; in a season of plenty, tranquillity, and peace, they consent to

no alteration: under the ordinary pressure of progressive adversity, still they consent to no alteration; but when outrage has commenced, and when mobs are assembled in open insurrection, under the watchword of the Corn Laws, *then* is the precise moment, without inquiry, to change the law,—to hold up by deeds, if not by words, the Land Owners of this country to a starving population, as the authors of their suffering; and to yield, as a tribute to intimidation, the boon which they refused to reason.

Moreover, so far from urging the Government to bring *separately* under the view of the Legislature the questions of Currency and Corn, it was the decided interest of the Land Owners to have insisted on a careful revision of both these subjects conjointly. They are in themselves intimately blended; it is absurd to talk of price without reference to money; and it is impossible to alter the quantity of money without affecting prices. Dis-jointed discussion on these two vital points is the precise cause of the dangerous conclusions now sanctioned by Parliament, which threaten with ruin and degradation the whole class of existing proprietors.

Since the real difficulties of the state, and the present danger of the landed interest, will be found to lurk under this question of the currency, I shall be excused if I endeavour minutely to examine it, and to trace it in detail.

It must be owned, that the subject is in its nature intricate and foreign to the taste of country gentlemen ; but the experience of the last twenty years has tended to throw the strongest light on it, and to reconcile theory with facts. I am certain that before long, the whole question of our currency must be forced on the attention of the Legislature by the Land Owners themselves, if they mean to preserve their estates ;—an accurate knowledge of the whole subject is therefore more important, in proportion as it is difficult and complex.

Throughout this investigation, two established propositions must be borne in mind, which, on account of their importance, at the risk of repetition, I will restate : The first, in the words of the Bullion Committee of 1810:—“ That, by means of
 “ the increase of quantity, the value of a given por-
 “ tion of circulating medium in exchange for other
 “ commodities is lower ; in other words, the money
 “ prices of all commodities are *raised*, and that of
 “ Bullion with the rest.” The second is the converse of this proposition, and is equally true ; namely, that by a diminution of the quantity of the circulating medium, the money prices of all commodities are lowered, and that of Bullion with the rest.

The term of the foreign exchanges being favourable or unfavourable to a country, has been thus defined :—the exchange is in favour of a country having money transactions with another, when a

given quantity of gold or silver in the former is convertible for such an amount in the currency of the latter country, as will there be convertible into a *greater* quantity of gold or silver of the same fineness: if it be convertible into a *less* quantity, the exchange is said to be against the former country; if into an *equal* quantity, the exchange is said to be at par.

The necessary consequence of an unfavourable exchange would seem to be a drain, on the country where it exists, of all the precious metals circulating within it; but Mr. Henry Thornton (vol. xix. p. 900, Par. Deb.) has truly stated, that gold and commodities are exported in the relative proportion in which their exportation answers; and since every diminution of the quantity of gold in one country must produce an augmentation of it in others, the relative value of gold to goods must soon find one general level; and thus gold is received as the common standard of value.

These premises being admitted, it will be necessary, in the first place, to trace the variations of expansion and contraction which have taken place in our currency since the year 1793, and then to demonstrate the effect of these variations in relation, not only to the price of Bullion, but of Corn, the regulator of wages and profits; the general effect also on the price of all articles of first necessity must not be overlooked, for this, in the end, will be found to be the surest test of the

depreciation of currency ; and a rise in the price of *all* commodities, of which bullion is one, is the real criterion of excess ; the *amount* of that rise above the level of a series of former years, is the measure of the *quantum* of that excess.

Doctor Adam Smith has remarked, that after the discovery of the abundant mines in America, corn rose to three or four times its former price ; but this change is to be ascribed, not to any rise in the real value of corn, but to a fall in the real value of silver. It may be added, with equal truth, that a great fall in the price of corn, especially if accompanied by a general fall of prices, is a proof of a rise in the real value of the currency, and thus we arrive at a general proposition ; the quantum of the rise of price on commodities generally is the measure of the depreciation of the currency ; the quantum of the fall of prices generally is the measure of its increased value.

Let us look to the facts, and apply them according to this rule.

I am indebted to Mr. Mushet's most able and laborious work on the Currency, for the detail of almost all the circumstances which serve to illustrate this important part of the subject, and I can only attempt to reduce to a smaller focus the extensive view which he has taken of it.

From the period of the restoration of our currency to its standard value in 1697, until the commencement of the French war in 1793,

the price of Bullion never rose materially above the mint price of £.3. 17s. 10½*d.* per oz. which was the established standard ; and, consequently, no depreciation of our currency took place.

There are only two periods worthy of remark in this long lapse of years. In 1720, the year of the South Sea bubble, Gold rose to £.4. 1s. 6*d.* per oz. ; and in 1782, at the close of the American war, to £.4. 2s. At both these periods, the circulation was excessive : in 1782, the Bank of England had in circulation, Notes to the amount of £.9,160,470. In 1784, the Bank reduced its issues to £.6,100,610 ; and Gold fell at once to the mint price (vide Mushet, pages 8 and 9). Thus early, but in vain for posterity, both the cause and the remedy of the depreciation of the standard were clearly made manifest

The concurrent effect, also, on the price of wheat is well worthy of observation ; first, the remarkable steadiness of its price throughout the century while the standard was not depreciated ; and, secondly, the immediate rise of its price whenever the circulating medium was in excess.

During the war of the Revolution, from 1688 to 1697, the average price of wheat was £.2. 10s. 8*d.* a quarter*. From 1697 to 1764†, the average

* Par. Deb. vol. ix. New Series, p. 887.

† Report of Corn Committee of 1813, Cobbett's Par. Deb. 25th vol. Appendix, p. 59.

was £.1. 13s. 3d. a quarter ; and from 1764 to 1794, the average was £.2. 4s. 7d. a quarter.

Price per Quarter.

		£.	s.	d.
The average of 5 years, ending 1779, was		2	0	9
Ditto 1784, . .		2	5	9½
Ditto 1789, . .		2	3	3

It is to be noticed, in the first place, that the average throughout the century never rose higher than the price at its commencement in 1697. The cause of the high price at that precise juncture, was the debasement of the coin by clipping, equivalent in effect to the increase of its quantity ; but after the value of the currency had been restored*, neither in peace nor in war, if the average be taken in these alternate periods, did wheat ever rise again to the price of 1696, until 1793. It rose, indeed, in the five years ending 1784, compared with the five years immediately following and preceding ; but this was the period when the standard was considerably depreciated ; when gold rose to £.4. 2s. per ounce ; and when the issues of the Bank of England were, as I have stated, in comparative excess.

From these facts, two inferences may be drawn : —that, in a *long* series of years, the price of bread corn is the sure test of the variations of the standard of value ; and that a depreciation of the

* Vide Par. Deb. vol. ix. p. 887.

currency operates on the price of corn more directly and powerfully than war, than peace, or any other circumstance, excepting always, *for short periods*, the demand and the supply.

Here also I must avail myself of an observation made by Mr. Canning, in his unrivalled speech on Mr. Vansittart's resolutions, in 1811, where he proves the over issue of paper to produce, from the same cause, the same effect as the clipping of the coin. I must use the words of Mr. Canning; for it is impossible to do justice to any argument which he has employed, in any language not his own.

“ In 1698, a period of war, the deterioration of
 “ our silver, then our standard coin—in 1773, a time
 “ of peace, the deterioration of our gold coin, were
 “ indicated alike by the long continued unfavoura-
 “ bleness of the foreign exchanges. In both cases,
 “ the reformation of the coin remedied the evil.
 “ The coin had then ceased to contain, and the
 “ paper has now ceased to represent, the quantity
 “ of precious metal implied by its denomination.
 “ Foreign countries estimated the coin then as they
 “ do the paper now—not by what it was called, but
 “ by what it would exchange for, in these commo-
 “ dities, gold and silver, which are, by the consent
 “ and practice of mankind, the common measure of
 “ all marketable value.”

Thus prices and the foreign exchanges indicate, simultaneously and equally, the real value of the currency; whether it be coin debased by clipping,

or paper by over issue; or coin enhanced by rectification, or paper by the contraction of its amount.

It is a curious fact, that the operations of the Bank of England commenced with the first creation of a paper currency, and with the existence of national debt. The crisis in 1697, when the debased coin was restored to its full value, is the date to which these three transactions may be referred: they were the expedients of the day, by which the exigencies of the state were met, and the deficiency of the restored currency supplied.

Mr. Pitt, when he introduced his bold measure of the Bank restriction, which rendered the paper of the Bank of England no longer convertible into cash on demand, and imposed no limit on its issues beyond the will of the Government, or the caprice of the Directors, declared, with prophetic warning, *
 “ that if the country be once surcharged with
 “ paper, it would have as ruinous effects as would
 “ be produced by lessening the quantity of the
 “ paper circulation; a sudden diminution of the
 “ paper currency would prove the most violent
 “ shock which the trade and credit of this country
 “ could receive.”

Notwithstanding this sound prediction from the author of the measure, his successors, who profess to tread in his steps, and to venerate his

* Hansard's Par. Deb. vol. xxxiii. p. 71.

name, have despised the warning, have rejected the admonition, and applied the power precisely in the two modes which Mr. Pitt thought most dangerous. "The country *has been* surcharged "with paper;"—there *has been* a "sudden diminution of the currency," not once, but repeatedly; and, exactly as Mr. Pitt foretold, each violent change, in either direction, has shaken to their foundations "the trade and credit of the country."

It would be tedious to attempt a detail of the course pursued by the Bank of England in each year, with the effect produced by the increase or decrease of their issues on the rate of the exchanges, and the price of commodities; but "since Corn," as Mr. Horner contended*, "is the "permanent standard of all value; the precious "metals being the practical measure—bread corn "the real measure,"—an opinion in which Mr. Locke also joins, who says†, "that Wheat is the "fittest measure to judge of the altered value of "things in any long tract of time," I shall content myself by presenting the reader with a table, marking the amount of the Bank of England paper in circulation in the months of either January or February in each year, from 1792 to 1809, together with the average price of wheat per quarter in England and Wales during the same period.

* Vide vol. ix. pp. 909, 910, Par. Deb. New Series.

† Letter to Lord Somers.

TABLE I.

DATE.		Amount of Bank of England Notes in circulation.	Average Price of Wheat per Quarter.
		£.	s.
1792	February	11,149,809	43
1793	Ditto	11,428,381	49
1794	Ditto	10,697,924	51
1795	Ditto	13,539,163	71
1796	Ditto	10,909,694	76
1797	Ditto	8,601,964	52
(Report of Committee, in the House of Commons, on the Bank resuming cash payments, in 1819.)			
1798	Jan. to June, inclusive	12,954,685	50
1799	Ditto	13,374,874	69
1800*	Ditto	15,009,457	105
1801*	Ditto	16,134,249	120
1802	Ditto	16,284,052	67
1803	Ditto	15,967,094	56
1804	Ditto	17,623,680	59
1805	Ditto	17,271,429	87
1806	Ditto	16,941,887	77
1807	Ditto	16,724,368	73
1808	Ditto	16,953,787	79
1809	Ditto	18,214,026	94

* These two years were years of dearth.

N.B. Mr. Mushet has traced, with his accustomed accuracy, the effect of the issues of the Bank on the price of stocks throughout this same period; and the result of a rise and fall exactly corresponds, like the price of wheat, with the increase and decrease of the issues.

From the comparison of the issues of the Bank with the correspondent average of the price of wheat throughout this long series, it will appear that an increase of issue has, with wonderful pre-

cision, created a rise of price,—not always indeed in the same year, but more generally in the one immediately succeeding; and a decrease of the issue has produced, in like manner, a correlative decline. The effect of increase is illustrated by the years 1803, 1804, and 1805, in which the harvests were good, and the produce abundant (*vide* Joplin on Currency, Appendix, No. 14); and in which the rise of price cannot therefore be attributed to a deficiency of supply. 1800 and 1801 were years of dearth, and prices rose far above the level of the augmentation of the currency, clearly indicating an inadequate supply of wheat itself. The effect of the decrease of the issues is illustrated by the fall of price in the years 1797 and 1798; and the fact, that a steady price is the sure consequence of a currency uniformly full, and neither increased nor diminished, is established in the most striking manner, by a comparison of the price of wheat, and of the issues of the Bank, in the years 1806, 1807, and 1808.

The issues of the Bank of England form, however, only a part of the paper currency of the nation; and here we open a most important view.

In the words of the Bullion Report of 1810*,
 “ the paper of the country banks is a super-
 “ structure raised on the foundation of the paper
 “ of the Bank of England; the foundation being
 “ enlarged, the superstructure admits of a pro-
 “ portionate extension; and the excess of the

* Par. Deb. vol. xvii. p. 254, Appendix.

“ Bank of England paper will produce its effect
 “ on prices, not merely in the ratio of its own
 “ increase, but in a much higher proportion.”
 And, again, the converse is also true ; for a contraction of the issues of the Bank of England produces always a proportionate diminution of country bank paper, and a reduction of prices far greater than commensurate with the decrease of the issues of the Bank of England. Though the effect produced on prices by the conjoint operation, both of the Bank of England and of the country banks, were not in proportion to the increase or decrease of the issues of either, taken separately ; yet it might be imagined that, as between each other, some *fixed* proportion must exist in the amount of their outstanding paper. The fact, however, is otherwise ; for, in periods of excess*, the issues of the country bankers have greatly exceeded the rate of increase by the Bank of England ; and, in periods of contraction, the diminution has been more violent and unlimited.

This is a result most dangerous to the safety of the Bank of England, and fatal to the attainment of steady prices : it is dangerous to the Bank, because, though unable directly to control the issues of the country bankers, it is responsible with its gold, when the exchanges are turned in consequence of the general excess of the currency, and

* Vide Mushet, pp. 27, 28.

when bullion becomes an article in demand for exportation. Steady prices are impossible, because, without a check on excess, it is the interest of the issuers of paper to push their profits to the utmost verge, and to increase the circulation until the exchanges actually turn, when the Bank of England, in self-defence, contracts its currency, and ultimately, but indirectly, forces a contraction of the country paper also; then commences a rapid and ruinous fall of price, succeeded in its turn by a recurring rise: the country is thus exposed to perpetual oscillation between hollow prosperity and real calamity, whereby uncertainty is introduced into the value of all property, and a spirit of gambling and of fraudulent speculation into the ordinary transactions of domestic life.

I shall now offer a second Table to the reader, showing the issues of the Bank of England*, the issues of the country banks†, the average price of wheat‡, and the average price of gold bullion; together with the differences§ per cent. between the market and mint price, from the year 1809 to the year 1819. I have also added the|| amount of the loans contracted for in each year, made up to the 5th of January next following.

* Report of the Lords' Committee in 1819.

† Sedgwick's Tables, No. 2 of Mushet's Appendix.

‡ Joplin's Table, No. 10, Appendix.

§ Edinburgh Review, vol. xxxvi. p. 410.

|| Annual Parliamentary Accounts.

TABLE II.

DATE.	Amount of Bank of England issue, from July to December, inclusive.	Amount of Country Bank Paper in circulation, on 10th October of each year, inclusive.	Average price of Wheat.	Average market price of Gold per Ounce.	Difference per cent. between market and mint price.	Amount of Loan contracted for.
<i>Year.</i>	£.	£.	s.	£. s. d.	<i>per cent.</i>	£.
1809	19,641,640	23,702,493	94	4 10 9	16½	14,675,669
1810	24,188,605	23,893,868	105	4 5 0	9½	13,242,357
1811	23,094,046	21,453,000	93	4 17 1	24½	16,636,376
1812	23,351,496	19,944,000	125	5 8 0	38½	29,268,587
1813	24,107,445	22,597,000	107	5 10 0	41	35,050,575
1814	28,291,832	22,709,000	74	5 1 8	30½	36,078,048
1815	26,618,213	19,011,000	64	4 12 9	18½	39,421,959
1816	26,681,398	15,096,000	75	3 18 6	Under 1	8,939,803
1817	29,210,035	15,898,000	94	4 0 0	2½	
1818	26,487,859	20,507,000	83	4 1 5	5	66,681,626
1819	24,697,407	17,366,875	72	4 3 0 (in Feb.)	6½	(Unfunded debt outstanding) 18,756,687

It appears, from this Table, that the issues of the Bank of England influence ultimately the gross amount of country bank paper, though they fail to regulate the rate of variation: the increase of the one produces an increase of the other—the decrease of the one produces a decrease of the other; but the ratio is different, and the fluctuation not simultaneous. It proves, also, that corn is, in its price, more immediately susceptible of a change of the value of currency than bullion itself; for, in the Table, the only contradiction to this assertion would seem to be, the discrepancy in 1812 between the rise in the price of wheat and the diminution of the gross amount of the currency in that year; but the harvest in 1811 was generally defective, and yielded three eighths less than an average (*Vide Joplin, No. 14, Appendix*). In like manner, the low price of 1814 is to be accounted for by the harvest of 1813, which was more than an average. But the years in this period, which are really worthy of notice, are 1815 and 1816.

The Battle of Waterloo having terminated the war, and peace having been re-established on solid grounds, in 1815 the Government was anxious to redeem the pledge which limited the Bank restriction of 1797 to the duration of the war, and they contemplated a return to cash payments. Both the Bank of England, and the country banks, prepared for the change by a large reduction of

their issues. Mr. Lloyd, in his evidence before the Committee in 1819, stated that the circulation of the country was at its highest in 1813 and 1814, but that it was reduced nearly one-half in 1816 and 1817; gold fell almost to the mint price, wheat to 64 shillings a quarter; and such a scene both of agricultural and commercial distress ensued, as this unhappy country had at that time never witnessed. The total number of bankruptcies in 1815 were 1,285; in 1816, 2,029, an increase in one year of 55 per cent.; and I repeat the conviction of competent judges, when I assert, that the losses sustained by individuals in this year counterbalanced all the profits of all the bankers during the war.

But the Government which at that time ruled our destinies, had compassion on the sufferings of the community. They sickened at the sight of the ruin which their measure, though not executed, and only contemplated, had created. They saw 30 per cent. added in 18 months to the value of money, and a proportionate increase to the burthen of taxation, and of every other fixed incumbrance. They knew that it was intolerable; they were merciful; they were disinterested: regardless of the increased value of their own salaries, they felt for the debtors, the tax payers, the great body of the people; and they admitted *their* just claim to forbearance in preference to the undue profits of the creditors, the tax eaters, and the annuitants.

They thought wholesome food and constant employment better for the people than *wholesome* currency and hunger, amidst landlords without rents, and manufacturers without profits. They turned aside, therefore, from the "stern path of duty *;" they relented for a time, and renewed the Bank Restriction Act; with an increase of the circulating medium, prosperity returned.

The bankruptcies in 1818 were 1056: in 1817, there had been 1575,—a decrease within the year nearly equal to 33 per cent.

I cannot fail also to remark the immense sum added to the debt during the period of the great depreciation of the currency; according to the measure of the ancient standard, which was then suspended, we generally borrowed about 15s. in the pound; and with our return to that standard, we are now required to pay the entire 20s. The letter of the bond, and the pound of flesh, are claimed by the creditor.

The Government, however, again vacillated in their policy; theory gained ground as experience was forgotten; the capitalist and the economist ruled the day; and an administration, more connected with annuities than with land, possessed of few acres, and haunted by general principles, introduced, in 1819, a measure which will render that

* This is the expression always used by Lord Liverpool when he *means* to be firm, and before *circumstances* induce him to waver.

year memorable in the history of our misfortunes, if it be not the real date of our decline.

The Government, in the course of the year preceding, had resolved to return to cash payments; and with this view it had reduced its debt to the Bank of England, and thereby diminished the paper circulation, both of the Bank itself, and also of the country banks. The approximation of the price of gold to the mint price, in 1819, was effected by these means. Moreover, no less an amount than seven millions of gold coin had, at the instigation of the Government with a view to this measure, been poured into the market at the standard price by the Bank of England; and this operation was in progress at the time when the committee on Mr. Peel's Bill assembled. An artificial reduction in the price of gold was the consequence: and the Committee, and even the Legislature, were thus betrayed into the error of estimating the extent of the depreciation of the paper by the current price of gold. Hence they adopted the fallacy, that the paper money was then only four or five per cent. below the value of the ancient standard which they sought to restore. They formed their judgment of the value of money at that time, not from the price of commodities generally, but from the price of a single commodity—of gold, with which the Government had been tampering, for the express purpose of forcing down its value. Mr. Attwood puts the argument

with full force, when he asks, whether the corn market, at the period of the highest prices, and of the greatest depreciation of paper, would not have experienced a sudden decline, if corn to the amount of seven millions sterling had been forced to a sale for a particular purpose, at 40s. a quarter? and whether it would have been a just conclusion, under such circumstances, that no depreciation of paper, no general rise of prices existed, because at that moment it was not indicated by the price of corn?

Mr. Ricardo, a great authority, contended, indeed, that the price of gold was the true index of depreciation, but he varied in the application of his own test; for in 1819 he contended, that 3 per cent. was the full amount of the depreciation; whereas, before his lamented death in 1823, he admitted his original error, and confessed that the bill of 1819* had raised the value of the currency at least 10 per cent. But, with that candour, which characterises superior genius, he has elsewhere admitted the imperfect nature of the data on which this last calculation is founded; for he says, in a speech delivered in Parliament†, “that he had “computed the whole rise in the value of money, “since Mr. Peel’s Act in 1819, at 10 per cent. “*He confessed that he had very little ground for “forming any correct opinion on the subject.*

* Par. Deb. vol. ix. p. 852.

† Par. Deb. vol. cexi. p. 947.

“ *By comparing money with its standard value, we had certain means of judging of its depreciation; but he knew of none by which we were able to ascertain with certainty alterations in real or absolute value.*” And again, in his* *Protection to Agriculture*, he makes a similar admission, and remarks, “ That it is a question exceedingly difficult to determine, what the effect has been on the value of gold, and consequently on the value of money, produced by the purchases of bullion made by the Bank. When two commodities vary, it is impossible to be certain whether one has risen, or the other fallen ; there are no means of approximating even to the knowledge of the fact, but by a careful comparison of the value of the two commodities with the value of *many other commodities.*”

A departure from this last rule, thus established on Mr. Ricardo's own authority, was the real cause of the errors committed in 1819 ; the value of money was compared with the value of gold alone, *without* any reference to the value of other commodities : and most unfortunately it so happens, that gold, the single commodity selected, must, of necessity, prove the most faulty measure by which the general rise or fall of prices can be estimated. The reason has been stated by Mr. Attwood, and has as yet received no answer†.

* Page 30.

† Par. Deb. vol. vii. p. 386.

“ In a *rise* of prices, occasioned by the exclusive
 “ use of paper money, the great demand for bul-
 “ lion, that of circulation, ceases at once. The
 “ bullion market then receives *supplies* from the
 “ quarter whence previously its principal *demand*
 “ originated. In the same manner, when a metal
 “ standard is again resorted to, a new demand for
 “ gold at once takes place precisely at that mo-
 “ ment when, in consequence of a contraction in
 “ the general demand of money, a reduced demand
 “ exists for all other commodities ; gold bullion,
 “ consequently, is of all commodities the last and
 “ the least to rise, in a general rise of prices occa-
 “ sioned by the depreciation of paper money ;
 “ and the last and the least to fall, in a general
 “ fall of prices occasioned by the restoration of
 “ that depreciation.”

Mr. Malthus, also, in his Treatise on Popula-
 tion, expressly states, that the alterations in the
 value of money are to be computed from the
 average price of agricultural produce, the wages
 of labour, and the general price of commodities.

Nay, Mr. Peel himself, the author of the mea-
 sure, stated in terms*, “ that depreciation was to
 “ be estimated, not alone by the difference between
 “ paper and gold, but in combination with the
 “ extent of co-existent credit currency.”

Experience also proves, that the price of bullion

* Par. Deb. vol. vii. p. 886.

is a false criterion of the quantum of depreciation; for the late Lord Liverpool estimates the depreciation of the coin by clipping in King William's reign at eighty per cent.; and the advance in the price of gold was only forty per cent.—of silver, twenty-five. Thus each metal gave an erroneous, but a different indication of the extent of the debasement. Moreover, previous to 1819, the long exclusion of gold from the circulation of this country must have increased its quantity, and therefore diminished its value, in every other part of Europe. There was a period of four years, during the war, in which no sale or purchase of gold bullion could be ascertained in England.

Even Mr. Horner, in his Bullion Report of 1810, says, “It may be doubted whether, since the new system of Bank of England payments has been fully established, gold has in truth continued to be our measure of value; and whether we have any other standard prices than that circulating medium issued primarily by the Bank of England, and in a secondary manner by the Country Banks, the variations of which, in relative value, may be as indefinite as the possible excess of that circulating medium.”

Mr. Baring*, also, as well as Mr. Ellice†, who unite, in a singular degree, the soundest theory with the greatest practical experience, protest

* Par. Deb. vol. ix. p. 899.

† Ibid. vol. vii. p. 534.

against the doctrine of the price of gold alone being the measure of the extent of depreciation ; for they contend, that, in 1819, the precious metals themselves were depreciated, in consequence of an unlimited issue of paper, which had forced all the gold and silver from England into the market of the world.

Thus argument and authority combine to prove the fallacy, under shelter of which, in 1819, the Bill for the resumption of cash payments passed. Mr. Ricardo at first estimated the value added to money by the restoration of the ancient standard, at three per cent. ; after experience, in 1822, he admitted it to have been 10 ; while Mr. Attwood and Mr. Ellice rate it at near 50, and Mr. Baring from 25 to 30 ; and when we come to trace the effect of the measure, in its full operation, I think it will be evident on which side the truth preponderates.

But not only were the supporters of the measure avowedly wrong in the calculations on which it was founded, but Mr. Peel, its author, neither propounded nor foresaw its necessary and extensive consequences. An alteration in the value of money involves, of necessity, a co-extensive change of contracts. If that change had, in reality, been but three per cent., in the pursuit of a great legislative object, a partial inconvenience to this limited extent might have been overlooked ;

but the known integrity of Mr. Peel makes it clear, that he contemplated no *heavy* addition to existing incumbrances: for, neither in his Report nor in his speeches, did he once allude to a tax, a debt, a salary, or a pension; and he rested the merits of his case on the examples of Queen Elizabeth's reign, when no public debt was in existence, and of King William's, when four millions were the full amount of the whole debt, and the interest on it £.200,000 a year. Moreover, at that period there existed no standard which had been previously debased by an act of the Legislature itself. Mr. Peel relied implicitly on the wrong *datum* of 3 per cent. being the full extent of the depreciation as indicated by the price of bullion; a price which he and his colleagues had, by their own measures, artificially reduced; and having first deceived himself, he succeeded in misleading the Legislature; for, by use of examples which were not applicable, and by the oversight of the most important considerations, he carried the restoration of the ancient standard of value, without any adjustment of contracts made in a debased currency, or provision for the increased incumbrance of all debts, taxes, and annuities.

It was strange, also, when reliance was placed on historical examples, under circumstances totally dissimilar, that the course pursued by other coun-

* Par. Deb. vol. ix. p. 956.

tries, in a state of affairs identically the same, should have been entirely overlooked; for in France, after the abolition of the assignats and mandats, and the re-establishment of a metallic currency, the Government ascertained the value of the louis-d'or, as compared with assignats, at different periods; and in this simple manner, on reference to the given market price of the louis-d'or, at any given time, contracts were reduced to their real value; and more recently, when the French Government altered the value of its money to the extent of five per cent. only, it provided by law for a corresponding adjustment of all debts. The United States of America, also, when, in the last extremity of their struggle for independence, they resorted to a depreciation of their currency, guarded against the fatal effects of their own measure by enacting that no bargain or contract for land should be valid, if on a credit of longer term than three days. In the example of France we find retributive justice; in the example of America prospective wisdom: but in vain shall we seek to discover the slightest vestige of either virtue in the British enactments of 1797 and 1819. *Here* by law we depreciated the currency, and by a solemn resolution of the House of Commons, denied the fact of depreciation. *Here* by law we raised the value of money, and instead of avowing our purpose, and preparing for its effects, we mystified the intention, and were blind to the result

But the Act of 1819, which professed only to restore the ancient standard of England, did, in fact, considerably more ; until 1793, silver was a legal tender by weight, and to any amount, at 5s. 2d. per ounce ; gold was not paramount, but concurrent with it. Mr. Peel's Bill made gold *alone* our standard : the market price of silver is somewhat less than the mint price, and its conjunction with gold as a standard, such as it was until 1793, would at once have effected a depreciation approaching to five per cent. ; would have enabled us to remit taxes to the extent of two millions and a half ; and would have raised money prices exactly in the same proportion. Thus, not satisfied with a return to the ancient standard, regardless of all the difficulties, we even ventured to *raise* its value.

It will be necessary here, once again, to recur to facts, and to show the immediate effect of this measure on the issues of the Bank of England, and of the country banks,—on the average price of wheat, and on the advances of the Bank of England to the Government ; for it is through the medium of the latter transaction, that the Government can at once controul the entire amount of paper in circulation ; by repayment of advances to the Bank, the Government diminishes its issues ; by an enlargement of the loan, it necessarily increases them ; for we have already proved, that the circulation of the country banks is influ-

enced by that of the Bank of England ; the paper of both must circulate together at par ; and consequently, since quantity governs value, the reduction of the amount of one entails the necessity of the reduction of the other ; by watching, therefore, the balances between the Government and the Bank of England, we can ascertain the movement of that mysterious hand which, placed on a resistless lever, can raise or depress, at will, the value of all property, and, the price of all commodities.

TABLE III.

YEARS.	Bank of England Notes in Circulation.	Country Bank Notes in Circulation.	Average Price of Wheat per Quarter.	Advances of Bank of England to Government on the 26th of August of each year.	The per centage of Decrease on Country Bank Paper as com- pared with the year preceding.
1819. From Jan. to June July to Dec.	£. 25,593,233 } 24,697,407 }	£. 17,366,875	s. 72	£. 25,546,230	} <i>per cent.</i> 15 ³ / ₁₆ as compared with 1818.
1820. From Jan. to June July to Dec.	23,928,315 } 23,692,301 }	11,767,391	65	20,826,447	
1821. From Jan. to June July to Dec.	23,522,693 } 19,632,665 }	8,414,281	54	16,641,620	
1822. From Jan. to June July to Dec.	17,953,075 } 17,772,717 }	8,067,260	43	14,188,200	

I humbly conceive, that this table is of real importance ; it contains the "*prima mali labes*," and marks a wonderful coincidence between the contraction of the currency and the fall in the price of wheat, exactly corresponding also with similar measures, and a similar result, in the years 1815 and 1816. The circulation of the country banks was reduced 76 per cent. between the years 1819 and 1822 ; and the reduction of the entire currency cannot be estimated at less than 50 per cent. on the whole ; and yet, shall it be gravely contended, that Mr. Ricardo was right, and that prices only fell in the proportion of the fall of the market price of gold to the mint price ? The fact is, that the price, not only of corn, but of commodities generally, began to fall in 1819, and gradually settled down in proportion to the contraction of the currency, until the year 1822. The distress, the failures, the general embarrassment, which ensued, proceeding from the same cause which produced the crisis in 1816, were again removed by precisely the same remedy, which then proved successful. Contraction of the currency had created the evil in both cases ; in both cases also its expansion terminated it. But the Government in the latter period adhered more pertinaciously to their grand experiment. During three years they remained firm to their purpose ; the bitter fruit of the system was tasted by all classes—I am in error, when I say by all ; for

amidst the ruin of the farmer and the manufacturer, the distress of landlords, and the insurrections of a populace without bread and without employment, one class flourished and was triumphant; the annuitant and the tax eater rejoiced in the increased value of money; in the sacrifice of productive industry to unproductive wealth, in the victory of the drones over the bees.

It is strange that the Landed Interest did not then clearly perceive the total inadequacy of the protection of the Corn Laws against a ruinous fall of price occasioned by a great decrease of the circulating medium. For protection could do no more than give absolute monopoly, and the command of the supply, which they then enjoyed. The crops of 1818, 1819, 1820, and 1821, had been no more than an average*; yet prices gradually fell from 83s. to 43s. a quarter; and, the further they receded from the last opening of the ports in 1818, the lower they became; the universal complaint of the petitioners from the agricultural districts, in 1822, was their inability to pay either rents or taxes, while wheat continued as it then was, under 50s. a quarter. Yet, for 150 years prior to 1793, 50s. was rather more than the average price; and while gold is at £.3. 17s. 10½d. an ounce, that wheat on an average, in a series of years, must be under 50s. is as certain as the revolution of the planets round the sun.

* Vide Joplin's Appendix, No. 14.

The wavering policy of the Government, in this second crisis of 1822, would also be remarkable, had we not been accustomed to witness their compliances, where vacillation is most dangerous, equalled only by their obstinacy, where concession is most important. On the 15th of February of that year, Mr. Huskisson, in his place, addresses the House and says*, “If we are unable to rescue
 “ many of the victims from the ruin which depre-
 “ ciation, guaranteed by law, has brought on
 “ them ; at least, let it be a warning never to be
 “ forgotten against any future tampering with the
 “ standard value of the currency.” On April 29th, in two short months after this solemn declaration, †Lord Londonderry, then the colleague of Mr. Huskisson, introduces his measures intended for the relief of the agricultural interest ; and he dwells on the extension of the currency of the Bank of England, and the consequent increase of the country bank paper, as a principal source of mitigation of the distress ; admitting distinctly the contraction of the currency caused by Mr. Peel’s Bill to have occasioned the fall in the price of agricultural produce ; and in this very speech he gives notice of the introduction of the Small Note Act.

The avowed purpose of this Act was a fresh tampering with the currency—a modification of the Bill of 1819 ; and its object, in which for a

* Vol. vi. p. 252.

† Vol. vii. p. 157.

time it succeeded, was an increase of the circulation. By the Act of 1819, all bankers were bound to pay cash on demand for their notes, and to discontinue the issue of paper for any sum under five pounds, after the year 1824. The inevitable consequence of this impending necessity was a great contraction of the paper, both of the Bank of England, and of the country banks, as evinced in the last table; the removal of this necessity was calculated to act in an opposite direction, and to produce the opposite effect of a very large increase. To render this result more certain, the Government applied even a new stimulus to circulation; they abolished one of the principal safeguards which existed even under the Restriction Act from 1797 to 1811, against the dangerous abuse of an unlimited paper currency.

On the stoppage of cash payments by the Bank of England in 1797, the 15th of George III. was repealed, which prohibited the issue of bank notes under £5; and private bankers were permitted to circulate one and two pound notes: but every holder of such notes was empowered to demand payment in specie; and in case of refusal for a space of seven days, any magistrate was authorised to levy the amount by distress on the goods of the banker so refusing. This summary process was a decided check on over issues. But in 1822, when the Small Note Act was introduced, no clause of this nature was inserted; and a large majority,

influenced by ministers, has since decided against the re-establishment of this most effective and salutary security, by which a redundant circulation might have been averted.

The result at once answered the intention and expectation of the Government; and in spite of Mr. Huskisson's warning, balanced indeed by his own wavering, this second crisis of 1822 was averted by a second tampering with the currency, and by its forced enlargement, just as the first crisis in 1816 had been postponed by the adoption of the same means.

But the mischief and horror of this system is, that it only mitigates the symptoms, without eradicating the disease; it is an opiate, the effect of which must in its nature be transitory, and the convulsion always returns with increased violence, and more fatal prognostics. Mark well its effects from 1822 up to the present moment; without the re-enactment of the Bank Restriction, the Bank of England remains liable to pay its notes in gold of standard weight and fineness; in self defence, therefore, it must suddenly contract its issues, from the moment that the exchanges begin to turn. It is also worthy of remark, that since the passing of Mr. Peel's Act, the market price of gold has ceased to be any measure whatever of depreciation; for, as Mr. Tooke observes*, it

* Tooke on the State of Currency, p. 68.

cannot now exceed the mint price, “since, as long
 “as the Bank is solvent, so long will coin be de-
 “manded from the Bank, in preference to buying
 “bullion at the smallest advance on the mint
 “price of £.3. 17s. 10½*d.*” The legal disqualifi-
 cation of the coin for export, which has now
 ceased, alone admitted of bullion being sold *above*
 the mint price previous to 1797.

The only indications of excessive issues now
 remaining are, the rate of the exchanges, and the
 rise of prices in general; of bread corn in parti-
 cular, denominated, even by Mr. Horner himself,
 the paramount standard of all value.

TABLE IV.

YEAR.	Average amount of Bank of England Notes in Circulation. (Mushet, p. 141.)	Advances of Bank to Government. (Parliamentary Papers.)	Amount of Country Bank Notes in Circulation. (Sedgwick's Table.) (Mushet's Appendix, No. 2.)	Per Centage of increase of Country Bank Notes compared with the year preceding.	Average price of Wheat.	Prices of the following Articles (in bond), in their proper order. Cotton Bowed Georgia, Iron British, Tobacco Virg. Ord. and Sugar. (Tooke's Appendix, F.)
	£.	£.	£.	per cent.	s.	£. s. d.
1822	17,772,717	14,188,200	8,067,260	—	43	0 0 0
1823	18,603,302	15,319,316	8,798,277	9	51	{ 0 0 10½ 7 0 0 0 0 3¼ 1 18 2¼
1824	20,110,314	15,884,468	10,604,172	20½	62	{ 0 0 9¾ 11 0 0 0 0 5½ 1 14 5½
1825	19,092,095 (6th April)	19,679,288 (26th Feb.) 18,261,100 (26th Aug.)	14,147,211	33¼	68	{ 0 1 6½ 13 0 0 0 0 6½ 2 5 2

And here, once again, I have had recourse to a Table (No. 4), which shows the average amount of Bank of England notes in circulation, the state of the advances from the Bank to the Government, the amount of country bank notes in circulation, the per centage of their annual increase, the average price of wheat, and the highest prices of cotton, iron, sugar, and tobacco, in the years 1823, 1824, and 1825.

From July 1822, to April 1825, the increase to the general amount of the currency was rapid and immense; and the expansion of the country bank paper far exceeded the proportion of the addition to the issues of the Bank of England; although this latter corporation forced out its notes by every possible means, however contrary to all sound principles of banking, by loans on mortgage, by loans on stock, by the purchase of the dead weight annuity, by advances to Government to pay off dissentients on conversion of the five per cents. into four, and by a loan of two millions, at two and a half per cent., to the East India Company*. Prices continued to rise, notwithstanding an increase of supply; the crop of 1824 was superior, yet wheat became dearer; importations from the colonies were im-

* It has been conjectured by Mr. Tooke, that the whole amount of the circulating medium, on the average of four months, ending April 1825, was little, if at all, short of 50 per cent. above what it had been in the corresponding period of 1823. (Tooke on Currency, p. 53.)

mense, yet sugar and tobacco rose in price ; fresh capital was every month added to the iron trade, yet the price of iron was doubled. The extension of circulation had produced its usual effect of an extension of credit abroad, and of an increased foreign demand for our manufactures. But, in August 1824, the foreign exchanges became unfavourable, and continued so throughout the year 1825. The demand of gold at the Bank of England for exportation was considerable; and on the 5th of January, 1825, gold, to the amount of £4,417,092, had been exported. In April the Directors became alarmed ; and, according to a statement delivered in the House of Lords by the Earl of Liverpool, on the 17th of February last, they made the enormous reduction of £3,500,000 in their issues, between the months of February and November, 1825. Money became scarce ; the exchanges improved, but credit failed. The country bankers, deprived of accommodation in London, greatly contracted their issues ; or, from inability to meet their engagements, became insolvent. Confidence was every where destroyed ; one-eighth of the English country banks were ruined, and six of the London banks stopped payment. Terror prevailed ; credit was at an end ; a contraction of the entire currency, ten times more sudden than its extension, was the consequence. Its increase had been progressive for two years ; its annihilation was the work of a few weeks.

And here we will pause for a moment, to con-

template the conduct of the Bank of England in this great emergency.

In 1797, when the Government of this country first began to identify itself with the Bank of England, Mr Fox remarked*, with rare sagacity and early foresight, "that the Bank Directors ought to do nothing inconsistent with the interests of the proprietors for whom they act. When *they* consider the public interest, instead of that of the proprietors, they depart from their proper sphere. Let the functions of the Bank and of the Parliament be kept distinct, and they are both exercised to the public advantage. Let the Directors pursue their private interests, and attend to their own concerns; let Parliament and ministers devote their attention to public measures: this is an arrangement which suits better with their respective objects, and conduces best to their common ends; instead of that union of duties in which every thing is confounded, and that distraction of pursuits in which every thing is destroyed."

This advice has been long forgotten, but the warning has been verified. The power of increasing and of diminishing at will the currency of the country, which never has been entrusted to the responsible ministers of the crown, is now vested in persons *not* responsible to the Legislature or to the public, on whom the only possible check must be their interest or their discretion.

* Vol. xxxiii. p. 44, Par. Deb.

The *discretion* of the Directors may be estimated by the wisdom of their measures in 1824, and in the beginning of 1825; when, notwithstanding the fall of the exchanges, and the existence of a rash spirit of speculation, clearly generated by a redundant paper currency, they despised every warning, and increased their paper issues to the extent of eight per cent., as compared with 1823. The drain of treasure from their coffers compelled them at last to reduce the amount of their out-standing paper suddenly, and to the extent, as stated by Lord Liverpool, of little less than one-fifth on their gross issue. This contraction caused a run on the country banks, and a general alarm; when, instead of increased liberality for a short period in their discounts, which might have arrested the panic, and allowed the general contraction to be gradual, in the early part of November last, they actually refused to discount, in the ordinary course of trade, the acceptances of some of the bankers of the best established credit in the city. Fuel was thus added to the flame: the Bank became alarmed for its own safety: the rush for gold had commenced. Having created the evil, they sought to repair it; and the same men who, in November, refused discount on approved security, in December added, with prodigality, eight millions to their issues.

So much for their discretion. How stands their interest? It is directly at variance with that of

the public. Attention to the profits of the body of proprietors is their first duty; and it must be their obvious policy, as it has been their constant practice, to push the circulation of their notes to the utmost verge of safety, and suddenly to contract it on the first warning of danger. The contraction of the issues in November was dictated by a regard to their own interests; the sudden enlargement in December was forced by the controlling power of the Government: the conflict of such opposite principles produced unsteady management; and the mischievous consequences, which flow from such conduct, shake even the stability of the State itself. In the words of Lord Grenville, "the utility of the Bank depends on its being kept distinct from the Government."

The effects of this last convulsion have assumed the appearance of a sickness unto death: and the symptoms of 1816, and of 1820, 1821, and 1822, have all returned in an aggravated shape. Prices have fallen generally, and to a degree even then unknown. With a contraction of our currency, a demand for gold from abroad has arisen; money has become scarce, and prices, therefore, lower among our foreign customers: the demand for exports from hence is, therefore, proportionably diminished: there is a glut in our markets: commerce is stagnated, manufactures suspended; masters are without money, and men without employment; and ruin and insurrection stalk throughout the land.

The price of wheat, which in the early part of the present year fell 20 per cent., has lately risen, and is now about 60s. a quarter; but the very fact of its rising in spite of diminished consumption, while all other articles of first necessity are cheaper, is an indisputable proof, that the cause must be an inadequate supply. The stocks of grain are low, the ports are closed, and the produce of the last harvest, which was rather below an average, came into use early, and is considerably exhausted; but let not the landed interest vainly imagine that, secure under the shelter of the Corn Laws, they can escape the pelting of this pitiless storm. The same effects must ever flow from the same causes: they have the experience of 1816, and of 1822: the approach to the ancient standard in the one case, brought ruin to their door; in the other, its complete restoration would have ground them to powder, had not the Government relaxed its principle, introduced the Small Note Act, augmented the circulation, and thus raised the price of wheat from 43s. in 1822, to 68s. in 1825.

But the prospective repeal of the Small Note Act in this last session,—of that measure whereby Lord Londonderry staved off the evil day, and avowedly rescued the Land Owners from their fate, coupled with the contraction of the currency now existing, and the precautions taken against its future enlargement, inevitably tends to give full effect to Mr. Peel's Act of 1819, to render per-

manent the prices of 1822, and to bring back the precise difficulties, and the same glaring injustice, which were then experienced.

The film, which now blinds the Land Owners to the glaring light, in which their dangers are visible, is, I apprehend, the existing price of farm produce: but I have proved the fallacy of this criterion, when it is remembered, that the two ingredients which constitute price, are the value of money, and the supply compared with the demand. Money has greatly increased in value within the last six months; the price of commodities generally has fallen; yet the price of wheat continues almost unchanged: the demand notoriously is declining; the supply must therefore be deficient: and with confidence I repeat the assertion, that the law, which fixes the standard of value at £3. 17s. 10½d. and compels payment of paper in specie on demand, establishes also 50s. a quarter as the average maximum for wheat in a series of years. I appeal to an entire century for the proof,—from 1697 to 1793; for it is shown, by the Eton College Tables*, that, for 150 years prior to 1793, the average price of wheat, calculated in periods of 10 years, was about 51s. a quarter; and the improved knowledge of the science of agriculture, stimulated by the prices of the late war, and founded on the experiments which they produced, leading to the economy of labour and the use of superior implements, may

* Par. Deb. vol. vii. p. 1602.

be considered as an increase of supply almost equal to the increase of demand occasioned by the growth of our population since 1793.

With the same standard we must have the same price; there is no escape from the dilemma: and if the Land Owners would preserve their estates, either the standard must be adjusted to their incumbrances, or their incumbrances to the standard. I have already spoken with perfect freedom of the existing Corn Laws; their effect on the price of corn is now absolutely nugatory, excepting in years of inadequate supply; *then* their burthen becomes intolerable to the consumer, and fatal to the prosperity of the manufacturer. Public opinion is strongly opposed to them; *in their present shape*, and with the present standard, they may create famine; they certainly estrange the hearts of the people from the ancient possessors of the soil; they are liable to be swept away by force in a year of scarcity; and importation *without* protection may be established on their ruins; but on an average of years, while Mr. Peel's Act remains unaltered, the monopoly, which they give, must be abortive in raising prices.

Let me implore, therefore, the Land Owners to abandon the futile attempt of artificially maintaining high prices under the ancient standard; let them make a timely compromise with the public, and take an ample, but fair, protecting duty, with open ports, on the admission of foreign

corn ; a duty, equivalent to the burthens imposed on the producers of corn in this country, to which the consumers of corn are not equally liable : and on the same principles, a drawback on exportation may be obtained. This concession will win back the kindly feelings of the people ; and let not the Land Owners lose this great advantage,—let them rivet the gratitude of the community to their cause ; let them exert all their power, and insist on the revision of Mr. Peel's Act of 1819,—an act no less fatal to the Land Owner than to the payer of taxes,—an act now about to come into full operation,—an act which, from its first introduction, goaded the people to insurrection ; and the returning influence of which has not failed to produce the same alarming consequences. Here the Land Owners may, with safety, make their stand : the position is impregnable ; the payers of taxes, the productive classes, are ready to defend it : substantial justice is on our side ; and who are they that are against us ?—the Annuity holders, the Fundholders, and the Economists ; a body which the Land Owners, if true to themselves, and in concert with the people, cannot fail to defeat.

It would be wise then carefully to review the real effects of the measure of 1819, as bearing on the Land Owner, the debtor, and the tax payer, the classes which comprise the great bulk of the community : and let us not be deluded by the supposition, that the crisis is passed ; for it is only in fact now commencing ; it was warded off in

1822 ; it is made inevitable by the repeal of the Small Note Act, and by the destruction of the country bank paper ; the impossibility will soon appear of fulfilling contracts in an increased measure of value, which were made in a depreciated currency ; of refunding in gold advances made in paper ; and of paying an undiminished amount of taxes out of the diminished profits of reduced capital.

An ounce of gold, from 1697 to 1793, would have exchanged for a quarter and a half of wheat. The average price of wheat, from 1797 to 1816, was, for the whole period, 81s. 10d. ; and an ounce of gold would only have exchanged for one quarter of wheat. From the depreciation of money, grain thus became of increased value ; and the rental of land rose in an equal proportion. But incumbrances were also increased ; taxes were quadrupled, and the situation of the Land Owner was not really improved. But what is his state now ? His rental is reduced, his fixed payments remain the same ; and after an allowance for the management of landed property, at all times necessarily expensive, the *nett* income of a Land Owner, even without debt, is always far below his nominal rental. But the same nominal amount of money has a signification now different from that which it bore during the long periods of depreciation ; during those times, in which heavy taxes were imposed, the civil list augmented, increased allowances granted to all the public servants, and the whole expendi-

ture of the Government settled with a view to this depreciation. So likewise in private life, every mortgage was entered into, every jointure fixed, every portion for younger children established, with reference to this same depreciation. More than all, an enormous sum was borrowed by the nation, equal in amount to one half of our mountain of debt, for every pound of which we received about 15s., and are now required to pay 20s. The restoration of the standard has falsified all accounts. It gives the property of the debtor to the creditor—of the Land Owner, to those who have charges on his estate: it is a sure, but a disguised method, by which all debts and all taxes are increased; confusion is its consequence in all the relations of society; for the nation is unable to bear low prices and high taxes joined; “The taxes of the late war, combined with the
 “ prices that preceded it; the taxation of the paper
 “ standard; the prices of the metal standard; an
 “ amount of taxes, which could not have been
 “ imposed in a bullion currency, a state of prices
 “ which could not co-exist with large issues of
 “ paper*.”

Our present peace expenditure, in real money value, is more than equal to the expenditure in any average year of the last war. By the Fi-

* I am indebted to Mr. Attwood's admirable speech on Mr. Western's motion in 1823, not only for this sentence, but for many of the strongest arguments which I have used on this branch of the subject.

nance Accounts of 1825 the sum raised within the year, ending 5th January, was £.52,803,300. The nominal amount of Taxes in 1813, an expensive year of the most expensive war, was £.81,745,000*. The average price of gold that year was £.5. 6s. 2d.† per ounce, 36 $\frac{1}{16}$ per cent. more than the Mint price: and this being the admitted measure of depreciation at that time, £.81,745,000 in the paper currency of 1813 is only equal to £.52,236,000 in the metallic currency of 1825. Thus the taxation of 1824 was in real value somewhat heavier than the taxation of 1813.

The depreciation during the war has been estimated by none at less than one-fourth,—by many, and on the best grounds, at nearly one-half. So that from one-fourth, at the lowest, to one-half, at the highest, the money value of every man's property has been changed; and contracts for near a quarter of a century were founded on a measure of value, depreciated to this extent. But the public never obtain justice: they raised pensions and salaries to meet this debasement to its full amount; yet, on the restoration of the standard, no correspondent reduction has taken place. The salaries of the Judges were even augmented last year: the Superannuation Act only charges 10 per cent. on the salaries of official men; and the pay of the soldier, which, in 1792

* Vide Hansard's Par. Deb. vol. xiii. p. 14, Appendix.

† Edinburgh Review, No. lxxii. p. 411.

was 6*d.* a day, still remains at 13*d.* This is the class to which the Bullion Committee alluded in 1810, when it foretold, “ that there were public “ servants, whose pay, if once raised, in conse- “ quence of depreciation, might not be so conve- “ niently reduced to its former rate, even after “ money shall have recovered its value.” It is not always easy to deal with armed men ; but there are other servants of the Crown, some of whom are the authors of these measures, whose salaries have been increased ; and shall *they* be found among the few who profit at the expense of the community by this portentous change ? Every rise in the value of money is an advance exactly equal on all pay derived from the revenue, and on all taxes borne by the people.

Already Mr. Peel’s Bill has occasioned an immense transfer of property : it has conferred on the fundholder a benefit, to the extent of the depreciation of the money which he advanced ; in many cases this is equal to 35 per cent. But this rise of the fundlord is effected by ruin of the landlord. Estates, which have been held from generation to generation in the same family, are rapidly changing owners ; and as the country gentleman retires, the fundholder advances. The Government may view the change with indifference ; the Treasury may continue to receive its taxes ; but it is hard that the landed gentry should be driven from their hereditary possessions for the sake of a bonus to

the fundholder, to which he is by no means entitled. Both the nobility and gentry must fall from their high estate under the operation of this Act: their reduced rental must be absorbed in the necessary outgoings and fixed charges on their property, and nothing will be left to sustain the dignity of their rank and station.

Whether we regard private debts, or public burthens, the effects of the measure of 1819 have been to enact, that for every less sum owing a greater shall be paid: prices falling, but pecuniary engagements remaining undiminished, the farmer has no profit, the landlord no rent, the manufacturer no customer, the labourer no employment; a revolution of property, and a derangement of the whole frame of society, must necessarily ensue. This effect was produced in 1822; it was counteracted by the Small-Note Act of that year, and with its prospective repeal the same evil has reappeared.

It has been remarked by Mr. Hume, in his Essay on Money, that the interval between a decrease of the circulating medium and the adjustment of prices to a lower level, is always pernicious, in a peculiar degree, to industry. “The
 “ workman has not the same employment, though
 “ he pays the same price for every thing in the
 “ market; the farmer cannot dispose of his corn
 “ or cattle, though he must pay the same rent to
 “ his landlord; the poverty, beggary, and sloth

“ which must ensue are easily foreseen.” Industry, during this decline, is without employment, and even labour without its just reward.

The price of provisions and the wages of labour ultimately adjust themselves; and the condition of the labourer would then be the same as it was before the diminution of the quantity of money took place, if no tax existed on the necessities of life. But in this country the articles of most extensive consumption, such as tea, malt, sugar, and tobacco, are taxed very heavily; and where taxation is mingled largely, the price cannot fall materially; the articles may cease to be consumed, but they cannot become cheap.

Where taxes of this nature exist, the effect of raising the value of money is essentially to degrade and to embitter the condition of the labourer*. “The wages of labour sink to the price of corn; but the taxes remain, and must be paid out of diminished earnings.” There can be no doubt, that pauperism is the necessary effect of heavy taxation: even during the increase of the quantity of money (a period favourable to industry); the weight of taxation has exceeded the effect of depreciation, and the comforts of the working classes have diminished. In proportion to the increase of the population, less malt, less sugar, less tea, and less tobacco, were consumed even in the prosperous year 1825, than in the

* Par. Deb. vol. vii. p. 1628.

years immediately previous to 1793: and notwithstanding the improved management of the poor rates under select vestries, the gross amount is higher at this moment than in 1814,—higher in a restored, than in a depreciated currency; and the poor rates of England, which, at the commencement of the reign of George III. amounted only to £.600,000 per annum; average at this moment six millions annually.

It is to 1822 that we must look for the future state of affairs under the operation of Mr. Peel's Act; it was not even then in full force,—it was reserved for the measures of the last Session, passed with the entire concurrence of the country gentlemen, to establish it, as it exists, at the present moment—absolutely triumphant.

Mark what was the evidence of Mr. Hanning before the Agricultural Committee of that year. He was speaking of the county of Somerset, the garden of England, and describing the condition of the lower orders in that district, at that particular time; and his account is in unison with the evidence given from other quarters with regard to the condition generally of the labouring poor. He says, “the small farmers and tradesmen are reduced to a scale of living little better than the labourers used to enjoy; and the labourers are now reduced to the necessity of living in a great degree on potatoes. In better times, they were in the habit of consuming a certain quan-

"tity of animal food, of bacon, or of cheese,
 "which they do not eat now; unquestionably
 "within the last two years their condition is
 "deteriorated." This then is the sure effect, in
 England, of low wages and high taxes; but hear
 the result in Ireland as detailed by Mr. Nolan, in
 his evidence before the same Committee, a sum-
 mary of which is thus powerfully conveyed in
 the words of Mr. Attwood:—"In Ireland, distress
 "is greatest when provisions are cheapest; then
 "we see famine without dearth; hunger amidst
 "superabundance of provisions; farmers without
 "a market; labourers without the means of
 "purchase. It was the fall of prices in which
 "famine originated: that fall prevented the
 "tenant from paying his rent; then came the
 "inferior landlord, bound by contract to the
 "superior landlord, and consequently unable to
 "make any abatement. The ground landlord
 "himself, bound by debts and engagements, all
 "founded on a state of high rents and high
 "prices, is equally unable to consent to a reduc-
 "tion. Then the miserable stock of the miserable
 "tenantry is seized; then the labourer is left des-
 "titute without employment, and then ensues a
 "scene of famine and despair, of tumult and of
 "bloodshed, suppressed by military force."

It might be enough for me to have shown, both
 from theory and repeated experience, that sudden
 contractions of the currency, with a fall of wages,

and without a diminution of taxation, cannot fail to produce anarchy and want throughout the working classes of our community ; but I cannot here refrain from illustrating this truth by a statement of the present condition of the cotton weavers in my own immediate neighbourhood ; and I have every reason to believe, that the statement is strictly applicable to the same class both in Glasgow and in Lancashire, comprising a large portion of the manufacturing population of Great Britain.

The average *nett* earnings of the best weaver, in full employ, do not exceed six shillings a week : for this he labours fourteen hours in each day ; and out of this pittance he not only must supply himself, his wife, and children, with fuel, food, and raiment, but he must defray the charge of house rent, which, in cities, is exorbitant. His daily fare is oatmeal pottage and potatoes : for his oatmeal he pays, at this moment, 3s. 4d. for the stone of fourteen pounds ; and for his potatoes, 1s. 6d. the imperial bushel.

The work of the week is generally paid for at its close ; and the little fund of the preceding week's labour is constantly exhausted before the fresh return of money on the Saturday. The credit of the poor man fails always in proportion as his wants are urgent ; and, unless charity interpose, the interval is fearful between the exhaustion and supply of the weekly earnings.

I have reason to know, that when "the handful of meal in the barrel, and the little oil in the cruise" have failed, pinching hunger, too often, is endured for many hours by entire families.

It is vain to add reasoning to facts like these; they cry aloud, and proclaim approaching danger. Patience still endures, because the hope still lingers, that the causes of these evils may pass away; but if they be inherent in the present system of our policy—in the weight of our taxation—in the enhanced value of our currency—in the artificial price of articles of first necessity, and in the low rate of wages contrasted with that price, either legislative redress must speedily be granted, or the reign of terror is at hand.

Improvements in machinery may have partly superseded the use of manual labour, and of late may have advanced more rapidly, than new channels of industry have been discovered for the employment of a dense population, which the past demand for labour has called into existence. This fatal circumstance, however, cannot be regarded as the *sole* cause of the evil; it is, indeed, a serious aggravation of it, and renders most imperatively necessary the instant adoption of every palliative within our reach: for common prudence must teach every man *in possession of property*, that the existing state of our manufacturing poor is quite inconsistent with the stability and security of his own interests.

It is impossible to perpetuate in this country any legislative enactment, the tendency of which is to degrade and to impoverish the labouring classes ; yet such is the decided effect both of our present Corn Laws, and of Mr. Peel's Act of 1819, unaccompanied by an adjustment of contracts, or adequate reduction of indirect taxes. The paramount duty of every Government is attention to the interests of the community, of which the labourers must form the great majority ; the right of property itself is instituted for the good, not of the few who possess wealth and honours, but of the many who have them not ; if the majority be deeply injured, the public peace is in danger ; if the majority want food, private property becomes a nuisance.

Nor are the fatal effects of the sudden contraction of the currency peculiar to our time or country ; for in France*, under Louis XIV. when the currency had been depreciated 27 per cent., and when an attempt was made to restore its value by reducing its amount, we find that the remedy was worse than the disease ; that universal distress was the consequence ; that all pecuniary contracts which had been previously made†, were raised one-third against the party who

* *Vide* FOURBONNAIS, "*Considérations sur les Finances de France.*"

† Lord John Russell, vol. vi. p. 575. Par. Deb. New Series.

had to pay the money ; that the restoration of full value was a death blow to the debtor ; that the people were reduced to despair by the efforts of the Government to draw all the monies to themselves ; and that there was scarcely a proprietor of land who did not see his patrimony melt away, without possessing the slightest means of prevention.

This is the present fate of the Land Owners of this country ; they are striving in vain against engagements which they cannot meet. Creditors in general receive an undue proportion of earnings ; and a sure, but destructive revolution, is in progress, by which, if it be not arrested, the ancient aristocracy of these realms must ultimately be sacrificed to creditors and annuitants.

The inconsistency of Mr. Huskisson on these subjects has been most flagrant : in 1815, when the Corn Laws were under discussion, we find him asserting, that corn in England must, and ought to be dear, as long as the country had to pay the existing taxes ; that there could be no rent, if corn were not of a high price ; and that it was the duty of Parliament to uphold the landlord. I have already shown, that, allowance being made for the altered value of the currency, the present load of taxation, notwithstanding its nominal decrease, is, in real value, quite as oppressive as the imposts of 1815. The labours of Mr. Huskisson are now, however, directed, not to the remission of taxes, not to the curtailment of expenditure, but to the

raising of the same revenue by better fiscal regulations, and to the maintenance of the expenses of the Government on a scale annually increasing; while he receives an augmentation of his nominal salary, he is bent even on enhancing the real value of money; and, having ceased to regard the fortunes of the Land Owner, he forgets his own maxim, that corn must not be cheap, and taxes heavy, at the same time.

Again, in 1823, "Mr. Huskisson admitted, "*that great injury was sustained by those landed proprietors whose properties were burthened by acts over which they had no controul, and also by persons who had mortgaged one estate to purchase another. For their misfortunes there seems to be no remedy. The parties so situated were bound to abide the consequence of such a speculation.*" To this class he was bound in justice to have added persons who had mortgaged a part of their estate to improve the cultivation of the whole; and then, I verily believe that nine-tenths of the Land Owners of this United Empire, peers as well as commoners, are included in this general description.

In the session of 1794-5, on the motion of Sir John Sinclair, in the House of Commons, "It was resolved unanimously, to promote the improvement of the waste and unproductive lands of the country, *as a most essential public advantage.*"

This unanimous resolution stands unrepealed. So does the resolution of 1811,—the eternal monument of Mr. Vansittart's fame,—a vote in which a large majority declared, that the one-pound note at that time was worth twenty shillings; that things unequal in value in the market, were equal in public estimation. On the faith of these resolutions, to which Parliament remains pledged, stimulated by the false abundance of capital, and fearing nothing from a depreciation so solemnly denied, the Land Owners expended immense sums in the improvement of waste land, and burthened their estates for a purpose which the Legislature declared to be “of essential public advantage;” and shall this same Legislature now bid the owners of the soil abide the consequences of their speculation,—a speculation fostered by Parliament, and by Parliament made ruinous? Is the day arrived, when a minister of the crown can contemplate with complacency the destruction of an entire class, and that class the Land Owners of these realms? For I protest, that the number of proprietors, with estates unencumbered, forms so small a minority, as to make Mr. Huskisson's description, for all practical purposes, a designation of the whole body.

Yet this is the gentleman who in the same year asserted, that “if he could believe there was the slightest foundation for the fear that the restored

“ value of the currency would ruin the aristocracy,
 “ and tear them from their paternal estates, the evil
 “ was of so grave a nature, that he would be pre-
 “ pared to seek a remedy at whatever risk.” No
 doubt the aristocracy is an object of tender care to
 this gentleman; but they amply deserve what
 they will suffer, if they trust their interests to his
 keeping.

The third resolution carried by Mr. Vansittart
 in 1811, stands on the journals of the House of
 Commons, a public record; and it avers, “ that
 “ the promissory notes of the Bank of England
 “ have hitherto been, and are at this time, held in
 “ public estimation to be equivalent to the
 “ legal coin of the realm, and generally accepted
 “ as such in all pecuniary transactions, to which
 “ such coin is lawfully applicable.” Both Lord
 Castlereagh, and also Mr. Perceval, who then was
 prime minister, gloried so triumphantly in the un-
 limited issue of paper, that Mr. Canning observed
 at the time, in his admirable reply, that in the
 view of the supporters of Mr. Vansittart’s resolu-
 tion (who were by the way a very large majority),
 “ the Bank restriction had become the staple
 “ resource of our pecuniary system; that it was
 “ avowed as the *standing policy of the state*; to
 “ be prized as an invention long desired, and now
 “ happily found, for supplying boundless exertion
 “ with inexhaustible and unexhausting finances.”

Mr. Perceval even went the full length of contending, that a reduction of the paper currency would change the value of existing contracts, and would throw into confusion every pecuniary transaction, from the rent of the landlord down to the wages of the peasant and artisan ; upon which Mr. Canning exclaims, " Good God ! What is " this but to say, that the system of irredeemable " paper currency *must continue for ever* ?" Mr. Tierney, also, on the same occasion observes, " that " an unlimited issue of paper had at first been " proposed as a measure of necessity—now it was " supported as a system of public advantage." Sir Francis Burdett also forcibly applied to the paper system, as then established, the inscription on the gates of Dante's hell, which bids all those who enter, leave the hope of return behind ; and he foretold, most distinctly, the impossibility of returning to a sound state of the currency, without those collateral safeguards, the whole of which were omitted in 1819 ; and he foresaw, even in 1811, the inability of the country to pay in sound coin, of standard value, the large pensions and salaries existing at that time, together with the pay of the army and navy, and the interest of the debt, swollen to its enormous magnitude ; the whole of which were established with the view to a progressive state of depreciation.

Yet, notwithstanding these warnings, and the

admissions of the Government, not founded in error, but accurate in the extreme, that a diminution of the currency would occasion a fall of prices, to the entire subversion of existing contracts, "the convulsion of public credit, and the "probable interruption of national industry*," Mr. Vansittart's resolution, negating depreciation, was carried, and is unrepealed.

If such then were the approved merits of the paper system, and such the danger of a return to a metallic currency, announced by a leading minister of the crown, and backed by a solemn decision of the House of Commons; and if, by repeated acts of the Legislature, the resumption of cash payments was postponed, as it were, indefinitely, even long after the conclusion of the war, the limit once assigned; who can with justice blame the Land Owner, when, relying on the pledged opinion of the Government, sanctioned by Parliament itself, he did not anticipate the return to a metallic currency, but fearlessly continued to buy, sell, mortgage, portion, jointure, and contract, in an inconvertible paper currency, which he was justified in considering permanent, and which the House of Commons had declared not to be depreciated?

The Land Owner was thus beguiled into bor-

* These were the very words used by the late Lord Londonderry.

rowing to an amount on which he never would have ventured, could he have foreseen the fall of the price of wheat to 43s. a quarter; and this was the average of the year 1822.

In 1812, the year after the resolution of the House of Commons which negatived the depreciation of bank paper, the average price of wheat was 125s. a quarter. A prudent Land Owner might *then* reasonably have calculated on a probable fall from 125 to 70 or 80, after the return of peace; but notwithstanding the false denial contained in Mr. Vansittart's resolution, the currency at that very moment was depreciated 30 per cent.; and, acting under the delusion practised on him by Parliament, the Land Owner never adverted, in the valuation of his property, to this appalling circumstance, but borrowed and provided for his wife and children, estimating the one-pound note to be worth 20s. when in reality it was worth but 14s.: but now, either he or his heir is compelled to pay the debt, or to satisfy the settlement, not in a currency depreciated 30 per cent. but in coin restored to the ancient standard value. The proprietor dying, or coming to a new settlement by deed with his eldest son, at any period between 1809 and 1814, may have charged his property to the extent of one half of the then rental, leaving, as he imagined, a large income for his heir in the residue of the rent. The natural fall of prices, after the transition from war to peace, might have

reduced his income to a considerable extent ; yet, all articles of general consumption falling proportionally, the heir in possession might be able to maintain his place in society. But in addition to this natural fall, comes the artificial one, arising from the Bill of 1819, which, by decreasing the quantity of money, lowers the price of wheat, and by restoring the standard, adds to the value of money. The decline of price bears down with it the rental ; the restored value of money adds to the fixed incumbrances ; and thus the nett income may be merged in the rent charge upon it, and the unhappy owner be either destitute, or dependant on the good will of his creditors and relations. Cases of this nature are not imaginary ; they are to be met with at every turn, in every part of the country. Their hardship of course will vary in degree, according to the period of the depreciation when the fixed incumbrances were imposed.

I will suppose a case of the head of a family dying in 1813, and leaving a rental of £5,000 a year to his eldest son, with a jointure to his widow of £1,000 a year, and a rent charge in the shape of annuities to younger children, to the extent of £1,500 a year more. The father had made his will in 1792, and under that will had assigned to his widow £500 a year, and to his younger children an annuity of £750 ; but the rental of the property was then only £3,000 per annum : with the depreciation of the war the rental rose, before

1813, to £.5,000 a year; and the proprietor, revoking his former will in the year of his death, doubled his wife's jointure, and the annuities of his younger children. The mint price of gold that year was £.5. 10s. per ounce; and consequently the depreciation of paper 41 per cent. Nothing could be more fair than this increase to the family burthens, at the time when it was made, and according to the rate of the then existing prices; but the change has proved ruinous to the heir; the Legislature itself has defrauded him; the depreciation by which his father was deceived in 1813, is now not only avowed, but remedied, by Act of Parliament; the annuitants on his estate enjoy their double incomes, and pay their half prices; he receives his half rental, and pays the double annuity. What then is the alternative which presents itself? Either he must drag out a degraded existence on his paternal estate, exercising no more the hospitality of his ancestors, but gleaning from his tenantry their earnings or their savings, himself the hated steward of the annuitant and mortgagee; or, unlike the country gentleman of England in an happier day, he must leave his native home, become a wanderer abroad, or a jobber, a share dealer, a placeman in the metropolis. He may sell his estate indeed, but

“ *Vivi pervenimus, advena nostri,*

“ *Quod nunquam veriti sumus, ut possessor agelli*

“ *Diceret, hæc mea sunt, veteres migrate coloni?*”

This would be considered only as a *transfer* of property ; but what agony of mind does that word convey ? The snapping of a chain, linked perhaps by centuries ; the destruction of the dearest local attachments, the dissolution of the earliest friendships, the violation of the purest feelings of the heart. Politicians and philosophers may talk coldly of the transfer of old family estates, of throwing immense tracts of the inferior soil out of cultivation, of burying for ever the immense capital expended on it, and of the transference of an agricultural into a manufacturing population ; but let them remember the ties which must be broken, the villages which must be deserted, the gardens to be laid desolate, the second nature of habits which must be altered, the hearts which must sink, and the hands which may rebel, under trials such as these. Let them pause before they commence the experiment : let them hearken to the warning voice of Mr. Brougham, himself a giant in their ranks, who, when contemplating this very change, which had been termed the ruin of the landed interest, with equal truth and eloquence observes, that it is not meant that “ the proprietors would be destroyed, “ that the land would become sterile, or sink in the “ sea, and the owners be exterminated. No : “ what is to be understood by the ruin of a great “ class, and by the destruction of the most commanding interest in the country, is shortly this :

" a great change of property ; much individual
 " misery ; the whole relations of the class de-
 " stroyed, or the relations of that class to the rest
 " of society, and of its members to each other.
 " Such may be called the destruction of a class ;
 " when it happens to a community, it becomes
 " the destruction of a state."

Every man, of any degree of authority, has admitted distinctly that he under-rated, in 1819, the pressure which the return to the ancient standard would occasion ; and so little was the effect of Mr. Peel's Bill understood, that, in the very session of Parliament in which it passed, three millions of new taxes were imposed, although 10 per cent. was admitted by Mr. Ricardo to have been added to the previous burthen, and experience has since demonstrated that the real addition approached much nearer to 40. And shall the Land Owners of this United Kingdom tamely acquiesce in the operation of a measure, the nature of which was not understood even by those who advocated it, but the effect of which has proved more burthensome than its supporters contemplated, or the nation can bear ? Let me entreat them to depart from their usual course of awaiting the event : a great and an immediate effort is necessary to burst the cord now drawn so tight around them ;—if they hesitate, they will be entangled in such complicated difficulties, that resistance and escape will soon be alike impossible.

The major part of the jointures and portions, fixed previous to 1797, must have now expired; and the settlements which are at present in operation, have, in most cases, been framed on the scale of high prices, and of a depreciated currency. The reduction of the landlord's rent since the passing of Mr. Peel's Act, in 1819, has been, on the average, at least thirty per cent.; the addition to the debts; the mortgages, the settled incumbrances on his property, is equal to the increased value of money, which, with Mr. Baring, I am disposed to estimate at thirty per cent., or even with Mr. Attwood, at a higher rate. Mr. Peel's Bill never would have passed if these effects had been foreseen.

At that time, it would have been infinitely more just to have established a new standard of value. Whether we regard the tremendous public debt contracted, the pay of public servants increased, and the taxes consequently imposed, in the twenty-two years of uninterrupted depreciation; or whether we contemplate the extensive private engagements formed within that period, and remaining now to be fulfilled, we can only arrive at the conclusion, that the Bill of 1819, was founded on error, and that injustice is its consequence.

The holders of Stock, created prior to 1797, must be very few; and they who sold out *during* the war, and invested their depreciated capital in

land or trade, are now receiving the full measure of injustice ; depreciation defrauded them as public creditors ; the restoration of the standard now oppresses them as tax-payers and public debtors.

But the ancient landlord's position is still more hopeless : *in addition* to the public burthens, he is required to meet with a reduced rental the fixed and increased charges on his property : ruin *must* be his fate : and his tenants and his labourers will sink with him ; the former from the weight of their fixed engagements ; the latter from want of employment, and a fall of wages greater than the reduction of taxation. In such a state of affairs we must come to a tenantry without capital or leases, and to a population eking out existence by potatoes.

Every landlord who grants a lease, delivers over his valuable property for a term of years, relying on the confident assurance, which the laws confirm, that he shall be permitted to receive the stipulated equivalent in value throughout the duration of the term. Any alteration in the value of the currency destroys the equity of the agreement ; if it be an act of the Legislature, the injustice is accomplished by an *ex post facto* law. No reasonable man, be he landlord, or be he tenant, can place his dependence on the faith of contracts which the caprice of the Government, or the fleeting interests of the Bank of England, may render ruinous or advantageous, contrary to the just intention of the contracting parties. A

lease is now a gambling policy of insurance on the value of the currency for a given period ; and, in fact, the loss eventually and invariably falls on the landlord ; for if, during the currency of the lease, the coin be depreciated, the tenant adheres to his bargain, and derives the entire profit ; if the value of the currency be restored, then, as we have lately seen in 1821 and 1822, the strict letter of the lease is of no avail to the landlord : the tenant becomes insolvent, and the contract is abrogated ; or the force of public opinion, in this country more powerful than law, compels the landlord to reduce the rent to the full amount of the altered value of money ; and every such alteration, therefore, is certain loss to him. It is not here my purpose to enlarge on the advantages which flow from leases for a term of years ; the high honour and fair dealing of the old hereditary English landlord, in happier times, may have superseded their necessity ; but in these mercantile days of heavy losses and immense profits, whilst almost every man, to retain his station in society, is driven to shifts and to expedients, it is impossible to expect that great capital should be invested in the improved cultivation of the soil, unless the profits of such speculation be secured for a stated period ; and the returns from land being slow, that period must be distant. During the term, the tenant reaps the profit,—at the expiration of

it, the landlord receives back his property, improved in value ; yet, after the recent and dreadful lessons of legislative injustice which have marked the frequent tampering with our currency, land must be occupied from year to year. Landlords will fear to assign their property for a larger term ; no man will buy, no man will sell, no man will improve land, until, after a solemn revision, the whole system of our currency and of our Corn Laws has been placed on a solid ground, affording fixed security of future value.

The fall, also, in the nominal value of wages, without a reduction of taxes, degrades, as I have shown, the situation of the labourer, whether he be agricultural or manufacturing ; for money earnings are diminished by the restored value of currency, while money burthens are proportionally increased. And I have proved, that, no diminution of taxation has taken place, since 1819, at all equal to counterbalance the weight added to the load by the increased value of money.

What, then, must happen on the recurrence of war ? Either the debt must be obliterated, or an unlimited issue of paper must be resumed ; and, amidst all the horrors of the French revolution, the assignats are the beacon most to be avoided. Would it not then be wise to avert this alternative ? Self-preservation is the first law of states, as well as of individuals—the inalienable right of every community. An invasion is threatened ;

rebellion rages ; the burthen of taxation becomes
 intolerable ; the means of safety are in the hands
 of the Government : the money provided for the
 quarterly dividend is lying in the Exchequer ; and
 then, in the prophetic words of Mr. Hume,
 “ Necessity calls, fear urges, reason exhorts,
 “ compassion alone exclaims :—the money will be
 “ seized for the current service, perhaps under
 “ solemn protestations of being immediately re-
 “ placed. But no more is requisite. The whole
 “ fabric, already tottering, falls to the ground,
 “ and buries thousands in its ruins. This may
 “ be called the natural death of public credit ; for
 “ to this period it tends as naturally as an animal
 “ body to its dissolution and destruction.” The
 interest, therefore, of the creditor must urge him to
 compound with the debtor before he drive him to
 desperation. To-day, while it is called to-day,
 he may obtain reasonable terms and secure his
 property in peace ; but a little while, and the
 opportunity will be gone. “ The public is a
 “ debtor, whom no man, and no body of men,
 “ can oblige to pay. Present necessity forces
 “ states into measures *against* their interests ; and
 “ the interest of preserving credit, the only in-
 “ terest binding on the public debtor, may easily
 “ be over-balanced by the amount of the debt
 “ and by a difficult emergency.”

At the close of the war, when prices began to
 fall, in consequence of the contraction of the cur-

rency of the Bank of England, Mr. Malthus
 avowed his opinion, that great injustice would be
 consummated, if the national debt were not ad-
 justed according to these prices, as by a standard.
 His words are of such importance, and embrace
 so fully the doctrines for which I venture to con-
 tend, that I may, perhaps, be excused for quoting
 them at length: "If the price of corn were to
 " fall to 50s. a quarter, and labour and other
 " commodities nearly in proportion, there can be
 " no doubt that the stock holder would be bene-
 " fited unfairly at the expense of the industrious
 " classes of society. During the 20 years, begin-
 " ning with 1794, and ending with 1813,
 " the average price of wheat was about 83s.;
 " during 10 years, ending with 1813, 92s.; and
 " during the last five years of this same 20, the
 " price was 108s. In the course of these 20
 " years, Government borrowed near 500 millions
 " of real capital, exclusive of the sinking fund, at
 " the rate of about 5 per cent. interest. But if
 " corn shall fall to 50s. a quarter, and other com-
 " modities in proportion, instead of an interest
 " of 5 per cent., the Government will really pay
 " an interest of 7, 8, and 9, and for the last 20
 " millions, of 10 per cent.

" This must be paid by the industrious classes
 " of society, and by the landlords; that is, by all
 " those whose nominal incomes vary with the
 " variations in the measure of value; and if we

“ completely succeed in the reduction of the price
 “ of corn and labour, this increased interest must
 “ be paid in future from a revenue of about *half*
 “ the nominal value of the national income in
 “ 1813. If we consider with what an increased
 “ weight the taxes on tea, sugar, malt, soap,
 “ candles, &c. would in this case bear on the
 “ labouring classes of society; and what propor-
 “ tion of their income all the active industrious
 “ middle orders of the State, as well as the
 “ higher orders, must pay, in assessed taxes and
 “ the various articles of custom and excise, the
 “ pressure will appear to be absolutely intolerable.
 “ Indeed, if the measure of value were really to
 “ fall as we have supposed, there is great reason
 “ to fear that the country would be *absolutely*
 “ *unable to continue the payment of the present*
 “ *interest of the national debt.*” The case which
 Mr. Malthus here supposes, is now actually
 realised. Corn, the measure of value, to which
 he refers, fell in 1822 to 40s. a quarter, and this
 was a scale of reduction lower even than he con-
 templated. I have endeavoured to prove, that this
 was the inevitable consequence of Mr. Peel’s Act
 of 1819; that the subsequent rise of price arose
 only from the enlargement of currency occasioned
 by the Small Note Act, passed in 1822; that the
 repeal of this last measure, and the full operation
 of Mr. Peel’s enactment, must of necessity bring
 back the prices of 1822; that the opinion of a

deficient supply, recently confirmed by the assertions of the Government, alone has prevented the fall to this scale at the present moment; and that, the value of money being the same, the price of wheat must, on an average, and permanently, be the same, as it remained in this country from 1688 to 1792; this average price I have proved, on conclusive evidence, to be 50s. a quarter; but the substitution of gold *alone*, for gold and silver *conjointly*, has raised the standard even still higher than it was fixed in the reign of King William; and, of course, the natural tendency of price will be to sink to a still lower level—45s. a quarter, therefore, under the system of money now sought to be established, must be our maximum in a long series of years. All the reasoning of Mr. Malthus may be applied, then, with truth, to the existing state of affairs; and we are on the very eve of that juncture, “When we shall be absolutely unable to continue the payment of the present interest of the national debt.”

The parliamentary pledge so frequently given, and at last so fatally redeemed, of returning to cash payments at the end of the war, was broken at the peace of Amiens by Lord Sidmouth, notwithstanding the entreaty of the Bank Directors, to be allowed at that time to resume their payments in specie; and though the war ended in 1815, no step was taken towards the resumption of cash payments till 1819; but Mr. Vansittart's

resolution of 1811, which stands unrepealed on the journals, must be held to be a legislative assurance, still in full force, that no debtor would be required to pay more than he had contracted for during the war, or more than he had received.

The resolution, unrepealed, must be allowed at least to balance the enactment so often broken; and when Mr. Peel passed his Bill in 1819, he did not venture to touch Mr. Vansittart's resolution: the Land Owner was not, therefore, conscious of the real nature of the bargain which he made; it was obtained under false pretences; it was adopted in delusion; and equity forbids (whatever creditors may have suffered during the war), that debtors should be permanently oppressed by the effects of the restoration of the standard, which a false resolution of the House of Commons declares never to have varied.

The natural and obvious train of this reasoning would seem, indeed, to lead to the immediate repeal of the Act of 1819, and to the revival of the Bank restriction. I am not, however, prepared to palliate or to deny the flagrant evils of a system, which destroyed any fixed measure of value in this country, which banished the precious metals from our shores, and which gave to an inconvertible paper currency the credit due only with safety to coin of intrinsic worth.

Nay, I am even ready to admit that recent experience has baffled theory; and that small notes

nominally convertible, but subject to no other check than their convertibility, produce in practice and in effect all the mischiefs attached to paper, which is *not* convertible ; consequently that no safe substitute can be found for a metallic currency, however expensive, and that no notes ought to circulate within these realms for any sum under £.5.

Nevertheless, if I be not egregiously deceived, very few of the Members of either House of Parliament, who voted for Mr. Peel's Bill in 1819, would now, after the experience acquired in the interval, sanction a change so fearful in its operation, *unaccompanied* by those measures of precaution, which were then unfortunately omitted, and which still remain indispensable.

It is not, therefore, the repeal of this Act which it behoves the Land Owners to seek, although its present unmitigated force must work the ruin of the state ; it seems to me, that their united efforts should be directed to supply the defects occasioned by want of foresight in 1819, and to equalize the weight of the burthen created and imposed by the addition to the value of money, now about to become permanent.

It is not attempted to deny, that some injustice must be the result of any effort to remedy the existing evil ; but when the currency of a country has once been depreciated by the acts of its Legislature, perfect justice to *all* becomes absolutely

hopeless. The only question left is, how shall the greatest sum of injustice be avoided?

The Acts of 1797, and of 1819, were equal violations of property, an equal interference with pre-existent contracts; the one was a fraud on creditors, the other a fraud on debtors. The spoliation which has been effected cannot now be redressed, but its progress may be arrested: we may stay the hand of the destroyer, and save the class last robbed from utter ruin. The time elapsed since 1819, may render it on the whole perhaps inexpedient again to depreciate the standard; for, to use the words of Mr. Baring, "in questions of currency, time is every thing." Having re-adopted the ancient standard now for *seven* years, should we not, by a fresh depreciation, wantonly disturb the contracts made within that period, and at the expense of fresh injustice, obtain only a partial remedy for antecedent wrong?

An equitable adjustment of contracts must be admitted to be impossible. The individuals constituting the great body of debtors and creditors, are changing day by day; one man made the original contract ten years ago, and another has purchased the annuity within the last ten days: a transfer also has probably taken place repeatedly in the interval; and the pound note may have varied in value, according to the date of each transaction, from 14 shillings up to 20.

It was observed by Mr. Fox, on the passing of the Bank Restriction Act in 1797*, “that he
 “who talks of positive plans to go at once to the
 “disease, who hopes to produce great good
 “without hazarding some evil, is not the person
 “from whom, in a situation like the present,
 “much advantage is to be expected. All that is
 “left, is a choice of evils. He that talks rationally
 “will rejoice if he can discover a remedy that,
 “with a mixture of evil, will be able to overcome
 “the mortality of the disease.” And this is again
 our sad predicament: it is the most fatal part of
 the accumulated misfortunes of our situation, that
 it is impossible to embrace any remedy applicable
 to the evil, on the one hand, without also com-
 mitting some injury on the other.

I will not, therefore, attempt to deny, that the
 course which I shall presume to recommend to the
 Land Owners, is open to grave objections, and
 that it must produce considerable injustice; but if
 it save the Aristocracy—if it save the Landed In-
 terest, it will also restore vigour to our commerce
 and plenty to our labouring poor; it will inflict
 partial injury on a few, but it will bestow lasting
 benefit on the community.

I will assume, that I have proved the impolicy
 of our Corn Laws, and the injurious effects inher-
 ent in the Paper System, creating at one time an

* Vol. xxxiii. p. 44, Par. Deb.

unsound prosperity, and producing at another unnatural depression; a system which makes value uncertain, and prosperity precarious; which forces speculation and over-trading, and in its reaction, during the stagnation of trade and manufactures, causes that general want of employment which, at this awful crisis, a starving population experiences. But the Paper System has just received its death-blow; the fixed standard of value has been restored; measures are in progress which will secure a metallic currency for all sums under five pounds; and it remains only to alleviate the crushing weight of taxes, and to obtain a steady supply of corn at a moderate price.

The last object will be obtained by a repeal of the present Corn Laws, and by constant importation under a fixed duty—a duty, as I have before stated, equal to the exclusive burthens borne by the land; and, for this purpose, I am disposed to believe, that 15 shillings a quarter will be ample, if the Landed Interest insist on the execution of the further measures which I shall now venture to detail.

While the monopoly of the Bank of England is suffered to continue, even the suppression of the one and two pound notes is no adequate security against over-issues. Competition is the only legitimate check,—that competition of banking capital, which would keep the circulation of this country uniformly at the level of the value of

money in foreign countries, and which *alone* can prevent excessive issues; since any attempt at excess would be instantly returned, on the Bank making the experiment, by the other banks, its rivals. And, on this head, Adam Smith* truly observes, that competition obliges all banks to be more circumspect in their conduct, and, by not extending their paper beyond its due proportion to their cash, to guard themselves against those malicious runs, which the rivalry of so many competitors is always ready to bring upon them. It restrains the circulation of each particular company within a narrower circle, and reduces their circulating notes to a smaller number; and it obliges all bankers to be more liberal in their dealings with their customers, lest rival establishments carry them away.

Since we must then have a free trade in corn, let us have also a free trade in money, and destroy that fatal connexion between the Government and a single Chartered Bank, which facilitates the prodigality of the Ministers, and invests an irresponsible body with the most delicate and important function of state—the controul over the circulating medium.

Nor will it be wise to stop even at this point; if the Land Owner is to give up *his* monopoly for the public good, shall the East India Company

* Wealth of Nations, Book xi., end of chap. 2.

and the West India Proprietors be suffered, for one day, to retain the full enjoyment of *their* exclusive privileges? Shall the consumer be forced to pay an exorbitant price for his tea and for his sugar, that particular interests may be benefited; and shall the nobility and gentry of these realms, the owners of the native soil, *alone* be sacrificed? On the contrary, let us adopt the sound principles of free trade; but let us not limit their application to the staple produce of our land. Let us destroy the heavy duties on timber, which, at the expense of every man building a ship or a house in the mother country, are at best a paltry premium to our colonies; and since we are bent on establishing an open competition with the foreign manufacturer, let us at once reduce largely those taxes which affect both the commerce and manufactures of our country.

It is not the price of bread alone, which is a check to our industry; on the contrary, I am well convinced, that its effect is insignificant, compared with the weight of taxation to which I have here alluded; and every notion of free trade is worse than visionary, unless accompanied by a large reduction of taxes and of duties. It is clear that the Government itself so considers it; for, notwithstanding the boasted triumph of principles termed *liberal*, it has been deemed necessary, in the recent example of the silk trade, to protect the British manufacturer by a duty of thirty per

cent. on foreign silks imported, although he is subject to no direct tax on the raw material which he uses; but his claim for compensation, in the shape of this large protecting duty, is founded and admitted distinctly on the ground, that competition with the foreigner must be ruinous, while in this country taxes on consumption are enforced to an extent unknown abroad; and oppressive, not to the manufacturer alone, but equally to the agriculturist and every member of the community.

The experiment of the destruction of monopoly in one branch of industry, while it is suffered to continue with unabated force in others, is an outrage even of the semblance of justice; it is a shifting of the burthen from the protected to the unprotected, from the strong to the weak; and the Landed Interest is lost indeed, if it allow for one moment an experiment of this nature to be made on its property.

The course, therefore, to be adopted by them, is to consent to a revision of the Corn Laws, to consent to free importation with a moderate protecting duty, but to force also at the same time a revision of all other monopolies, and to carry a reduction of taxes to a very large amount.

The sinking fund of five millions annually is, in the first place, available; and then, inasmuch as I have proved, that Mr. Peel's Bill in full operation will be a bonus to the annuitant of

more than 30 per cent., I strenuously and boldly contend, both for the equity and the necessity of imposing a direct tax to a considerable amount on *all* annuities charged on land, or payable from the Exchequer.

There is, indeed, another alternative,—to rescind Mr. Peel's Act, and to restore the paper circulation to the highest level of the war, and of 1817. The price of bullion would then rise, and the war standard of depreciation be distinctly indicated; that standard of the great mass of our debts and contracts, the measure of the rise of our greatest interests. We then might debase our metal standard to the precise level of the depreciated paper currency; and, having lowered our measure of value, adjust it to the existing interests, and contracts created in paper money, and issue, for the ordinary purposes of circulation, coin of less intrinsic worth. But this is an *indirect* way of doing the same thing: it possesses all the evil of delusion. It blinds the nation to the real inevitable consequence of an expenditure beyond our means; it is a bankruptcy without an admission of insolvency: it would lead to still further prodigality, and to a repetition of the same mischief, and of the same cure: moreover, it would render perpetual the cost of that expensive machinery, which is necessary for the collection of our present amount of taxes.

But the tax on all annuitants is a direct avowal

of the inability to pay according to the full amount of our ancient standard ; it is a memorial to all governments and to all nations, that there are limits *beyond* which taxation cannot be carried ; that, in common prudence, there are bounds even to national expenditure ; and that war is a game, not of profit, but of loss. It will operate as a wholesome check on our future financial measures. The hope of reducing the tax itself will render the Monied Interest jealous of extravagance, and advocates of economical reform ; and it will enable us at once to get rid, not only of taxes, but of a host of tax gatherers.

The remission of the taxes which interfere most with our trade and manufactures, and enhance the price of articles of first necessity to the consumer, will be covered by the application of the £.5,000,000 sinking fund to the service of the year, and by the amount of the proposed annuity tax. It is impossible to foresee the extent of the rapid progress which our commerce would make, when relieved from the burthens which now press it to the ground : and since *all* taxes fall in the first instance on the consumer, and are ultimately borne by the profits of capital, or by capital itself, a remission of taxes is a benefit to *all*, and *not exclusively* to any particular class. To the tax payer the benefit is direct and immediate ; and it is no stretch of imagination to foresee the great increase of comfort which would ensue to the

entire body of the people, if the taxes on tea, on sugar, on tobacco, and on malt, were greatly reduced, and the assessed taxes, and the tax on soap and candles, absolutely repealed. The legacy tax, also, on the transmission of personal property, which presses hard on the monied interest, might then also with fairness be remitted. The proposed annuity tax would cover all these beneficial changes. But the annuitant is himself a great consumer, and would derive an immense profit from the reduction of indirect taxation; consequently his real loss would be by no means the amount of the tax; for what the *direct* tax may take from him, the remission of *indirect taxes* would in a great measure restore.

A high rate of profit produces a high rate of interest; and the addition to the income of the capitalist from this source, coupled with the diminution of the annuitant's expenditure, from the fall in the price of corn, and of all the necessary articles of life, which the execution of this plan would secure, leads me, in my conscience, to believe, that the weight of an annuity tax, such as in fairness could be imposed, would not create any real loss, or operate as a privation, to the annuitant himself. Though *nominally* his income might be diminished, yet *really* his means of purchasing all the comforts and conveniences of life would, in no degree, be impaired.

The only annuitants who *must* suffer, would be the annuitants now living abroad; if they be natives, I cannot compassionate their lot, when their interest will no longer militate with their duties; and when, without a sacrifice of income, they may return to the land of their fathers. If they be foreigners, I regret the hardship of their case; but I contend for its necessity; and our national prosperity must not be endangered for the sake of our credit with strangers.

It will be argued, however, that the effect of the annuity tax will be, to drive capital abroad; to this there are two answers;—first, that the very discussion of the measure will so depress the price of funds, as to render the immediate loss of principal by sales fully equivalent to the diminution of the annual interest by the tax; and secondly, even if capital be withdrawn from the funds, it by no means follows that it will be sent abroad; for, by the diminution of taxation, and by the decreased price of corn, the rate of profit will immediately rise in this country, and capital may be invested here, under such circumstances, with more than ordinary advantage.

Again it will be contended, that the mortgagee will instantly foreclose in every case, and seek to regain his principal for the purpose of investing it beyond the reach of this impost. It would not be impossible to devise a special

remedy for this difficulty ; since, even *without* any legislative interference, the Lord Chancellor, during the war, in the exercise of a sound discretion, frequently granted to the mortgager a greater length of time for the repayment of the principal than the contract stipulated. I am not, however, disposed to believe, that an annuity tax would disturb many existing mortgages ; for the greater part of the money so invested consists either of trust funds, or of the capital of public bodies ; neither the one nor the other can be sent abroad ; the investment must be in this country, and a transfer from land to funds would avail nothing ; for, by the original supposition, the annuity tax would be an *equal* impost on the mortgagee, and on the fundholder. Some few bold individuals might venture to call up their money, and to embark it in trade, or to place it in foreign funds ; but the risk in some cases, and the impossibility in others, of changing the investment, would, in effect, be tantamount to an actual prohibition. Moreover, fresh capital would not be wanting to supply the place of the mortgages called in ; since the relief to the Landed Interest, by means of the tax proposed, would increase the value of property, and improve the real security to the lender.

It may be asked, why this tax should not be extended to the merchant and the manufacturer ?

I answer, because the prosperity of the state requires, under the heavy load of debt which would still remain, that every incentive should be applied to stimulate industry, and to increase the power of production. The merchant and the manufacturer, as well as the Land Owner, are the producers, the mortgagee and the Fundholder the sluggards; every tax on the former is a tax on industry, and capital accumulating; every tax on the latter is a tax on indolence, and capital hoarded. Encouragement given to the productive classes generates a ten-fold increase of national wealth; cut the cords, the balloon rises of itself; lighten the taxes, which oppress trade and manufactures, they will thrive at once, and enrich our people.

It will be said that the physician and the lawyer, as well as the mortgagee and the fundholder, belong to the unproductive class; and yet, that the proposed annuity tax will not visit them. Where fees by statute, or by rule of court, have been raised during the war, in compensation for the depreciated currency, by statute, or by rule of court, they must again be reduced, in conformity with the increased value of money: where custom alone has added to their amount, custom also will soon provide the remedy; and the public will not be slow to discover the folly of paying the same fee to the doctor and the advocate, with wheat at 50s. a quarter, and gold at £.3. 17s. 10½d. an ounce, as

lately in justice they paid, when wheat was 120s and gold £.5. 10s. 0d.

Again, it may be urged against the justice of this measure, that, though the currency of the country was really depreciated for a quarter of a century, yet that there were repeated parliamentary pledges, that at the termination of the war the ancient standard should be restored; and, therefore, that in all contracts during that time, reference was had to an expected return to cash payments. The answer is, that these pledges were broken as often as they were given; and that Mr. Vansittart's resolution still stands unrepealed, which, in one of the years when the market price of bullion was highest, negatives, by a solemn decision of the House of Commons, the fact of depreciation; and the late Lord Londonderry, the principal minister of the Crown, in his place in Parliament, even in the year 1822, on the subject of agricultural distress, used these remarkable words: * "It is not meant, that under *no possible contingency* any alteration could take place in the currency of the country, as now established; but that at *the present moment* there is no ground for departing from sound principles on the subject." He fended off the immediate necessity, by the introduction of the Small Note Act; its

* Par. Deb. vol. vii. p. 1021.

repeal has reproduced it, and now is the appointed moment for a direct tax on the annuitant, in effect equivalent, but greatly to be preferred, to the change which Lord Londonderry then contemplated, alluding to a fresh debasement of the standard.

Then comes the general outcry of horror at a breach of faith, and the violation of existing contracts. All this tender feeling and scrupulous justice would have been mighty well in 1797: it would have weight even now, if no previous interference had taken place between debtor and creditor; but twice, since the commencement of the French war, have the present Ministers of the Crown disturbed every fixed money bargain, by direct legislative interposition. Who, in 1797, said to every creditor, "Though you stipulated for repayment in coin of the realm, you shall receive nothing but paper?"—Who, in 1819, when a contract had been made, said to every debtor, "You shall not pay that which you have agreed to pay, but something else, which you neither agreed nor expected to pay: you borrowed at the rate of 15s. you shall pay at the rate of 20s.?" On the ground of *public convenience*, the ancient standard was overturned in 1797; and on the same grounds it is equitable to demand a mitigation of the effects of its forced restoration.

When, in consequence of the rise of prices during the depreciation, advance of salary, or of

pay, was demanded by public servants, the equitable adjustment was, in these cases, carried by acclamation, and the subjects were taxed without compunction, to meet the increase of pay and of pensions, then to be raised to the level of the higher prices ; but with the fall of prices, and with the restored value of the currency, we hear of no intention to reduce these annuities to their former scale ; and placemen, living on salaries increased *both nominally and really*, have the boldness to decry the very term of adjustment as synonymous with fraud.

The acquiescence of the Land Owners, throughout the war, in the curtailment of the annuities charged on their estates, by the means of the depreciation of the currency, has been urged as a reason against their claim for adjustment, on the restoration of the standard ; but no doctrine can be more dangerously unsound ; it seeks to introduce a principle of compensation into morals, that an act of iniquity in one direction may be compensated by a countervailing act of injustice in another ; and that because, in 1797, the creditor was defrauded, it is just, in 1819, to injure the debtor ; when, in ninety-nine cases out of every hundred, the individuals and the contracts are different, on which this operation is to be performed*.

* In 1821, Mr. MUSHET published some most elaborate Tables, tending to show, that on the balance of profit and

The case of the greatest hardship which can be put, is that of a mortgagee, who lent his money prior to 1797, and who, during the war, received his interest in a depreciated currency, and will now be a second time defrauded, since the full measure of 1819 was to him only an act of simple justice. It would be vain to palliate the hardship of his case; but it is the very gist of my argument, that cruel injustice must flow, of necessity, from all tampering with the currency. It is *not*

loss arising from the changes in the value of currency between the years 1800 and 1821, the sum of £1,454,060 still remained due to the public creditor. Even admitting the principle and the accuracy of these Tables, I should contend that the balance is *now* in favour of the debtor, since from 1821 to the present time, the standard has not been depreciated; but, on the contrary, by the exclusion of silver, has actually been raised beyond its legal value prior to 1793. With sincere deference, however, to the high authority of Mr. MUSHET, I suspect that a fallacy pervades his whole argument: he treats the account, out-standing for twenty years between Fund Holder and Tax Payer, as a debtor and creditor account between two unchanging corporate bodies; whereas it is an account between individuals, changing repeatedly; the debtor of to-day becoming the creditor to-morrow, and the equity of each transaction naturally varying with the date of the contract. It would hardly be reasonable to apply the same principles of equity to an account between the buyers and sellers of annuities at the late Office of Messrs. HOWARD and GIBBS, which would govern most justly the balance of a long account between the Bank of England and the East India Company.

now the question, whether it shall be done for the first time: already the standard has been twice altered in twenty-five years, and there remains only a choice of difficulties and of evils,—the adoption of a course, not devoid of injustice, but calculated on the balance to produce the least possible. The creditors prior to 1797 must be a small body indeed, compared with those who have contracted debt within the subsequent period.

The same answer applies also to the fundholder; excepting always that peculiar difficulty of the person now holding the annuity, not being the original lender, but the purchaser, if not at the full value, at least in a currency not depreciated in the extreme: but here the number of creditors is known to be small, the whole body of fundholders scarcely exceeding 280,000 persons*; and the number of debtors is the entire community,

* From a Paper ordered to be printed by the House of Commons, on the 12th of April, 1823, it appears that, at that date, the total number of persons receiving half-yearly dividends, was 288,473; of whom 277,594 were in receipt of various incomes from the funds, *all below* £.400 per annum; and only 10,879 of incomes above that sum. The number of persons receiving from £.1000 to £.2000 per annum, was 490; and those receiving *more than* £.2000 per annum, were *only* 218.

composed of all who contribute a portion of a single tax to the interest of the debt.

Nor will the argument avail any thing, that the Legislature never recognised the difference of value between paper and coin; for, in the same year when Mr. Vansittart's resolution was carried (a resolution, as stated by Mr. Brougham, which every man who could count ten on his fingers knew to be false), Parliament even declared its knowledge of the falsehood by passing an Act for the punishment of those who should sell a guinea for *more*, or pay a bank note for *less*, than its denominative amount. We cannot want a more direct acknowledgment of depreciation in public opinion.

Then again, it is observed, "that the condition
 "of this country must be strange indeed, if it can
 "only prosper by a violation of national faith,
 "and a subversion of private property; measures
 "which are reprobated by all statesmen and all
 "historians." Now, the testimony of all historians establishes the fact, that this is the certain end of heavy national debts; and that at last it becomes even the first duty of statesmen, when a nation labours for its existence under the load of its incumbrances, to lighten the vessel, and to cut away the broken mast of credit. Public extravagance is the abuse of which we complain; we exceeded our natural strength in the late war; languor and depression are the necessary conse-

quences ; we forestalled our income, we mortgaged our resources ; and it cannot be a matter of surprise that it is now difficult to raise within the year, a revenue sufficient for the maintenance of our national honour. Mr. Hume*, in his *Essay on Credit*, points out the remedy, and recommends the precise measure which I have dared to propose. He says, that under such circumstances of heavy debt, “ the revenue must be raised from a continued taxation of the annuitant, or, what is the same thing, from mortgaging anew a certain part of their annuities ; and thus making them contribute to their own defence, and to that of the nation.”

The argument, also, that our national credit would be destroyed by a direct tax on the annuitant, and that, in case of a great state emergency, we could never borrow again, is decidedly at variance, both with fact, and with reason.

Austria depreciated her currency 400 per cent., acknowledged the depreciation, by law compelled her paper to pass 400 per cent. below its nominal value, and still to this hour she has no difficulty in borrowing, even in England : and Mr. Hume, in the same *Essay*, assigns the true reason, when he says, that the fear of an everlasting destruction of credit is an endless bug-bear : for a pru-

* Hume on Public Credit, *Essay ix.* p. 379.

dent man, in reality, would rather lend to the public, immediately *after* we had taken a sponge to our debts, than before; as much as an opulent knave, even though one could not force him to pay, is a preferable debtor to an honest bankrupt: the former, in order to carry on business, may find it his interest to discharge his debts, when they are not exorbitant; the latter has it not in his power.

It will be urged, that the admission of expediency, in direct violation of Parliamentary engagements, is immoral and impolitic; since with States, as with individuals, the "*honestum*," and not the "*utile*," should be the strict rule of conduct. But are not the Land Owners in actual possession of a monopoly firmly secured by an existing Act of Parliament? General expediency is the reason assigned for its abrogation; and if they are to give way, and to sacrifice their interests to this overpowering necessity, surely they are justified in compelling the creditor to admit his own rule in his own case, and to modify his claim according to expediency. The public creditor relies on Parliamentary security; the private creditor founds his claim on equity or law; but the Land Owner has a superior title: he possesses the sanction of Parliament, and equity is also on his side. Low rents and high taxes must ruin him; he holds, at this moment, the van-

tage ground ; Parliament stands pledged to his monopoly ; and he would be insane, indeed, to abandon it without a fixed and complete compensation.

I have shown the terms on which, in my humble judgment, it would be wise to capitulate ; I have proved both the policy and general equity of these terms, and the power possessed by the Land Owners to obtain them ; but, to be successful, the nobility and gentry must act in the strictest union ; they will be opposed by the monied interest, as by one man ; they will be opposed by the present Ministers, few of whom are connected with land, or with the aristocracy,—some of whom, by far the most able, having risen, by their talents, from an humble origin, are disposed, very naturally, to envy the existence of any power in this country which genius cannot win, and which birth alone bestows. The Land Owners will be strenuously opposed, but they will be powerfully supported ; they will be supported by every payer of tax throughout the kingdom,—by the peasant and the artisan,—by the merchant and by the manufacturer. Then, indeed, they will fight on the right ground ; they will be backed by the great body of the people. Interests will be reunited, which ought never to have been severed ; a nation will be arrayed against an administration ; millions against thousands ; and the issue of the contest will not long be doubtful.

The annuitant will suffer, indeed, but to a very small extent ; and by timely concession he may avert a far greater calamity ; for if he stand on the extreme of his right, and the Land Owner adhere to his Corn Law and his monopoly, the burthen of taxation can no longer be endured ; civil discord and insurrection will be the result ; and, though the owners perhaps may change, yet the land must remain, when the debt shall have been swept away, and become a by-word among nations.

With an apology for the length into which I have been drawn, I will conclude, in the emphatic words of Mr. Hume. When contemplating, in the middle of the last century, the annihilation of the debt, “ The event,” he says, “ is calamitous, but not the *most* calamitous ; thousands are thereby sacrificed to the safety of millions ; but the contrary event might have taken place, and millions have been sacrificed to the temporary safety of thousands. Though the House of Lords be altogether composed of the proprietors of land, and the House of Commons chiefly ; and, consequently, neither of them can be supposed to have great property in the funds, yet the connection of the Members may be so great with the proprietors, as to render them more tenacious of public faith, than prudence, policy, or even justice, strictly speaking, require. The dignity and authority

“ of the landed gentry and nobility is much better
“ rooted than the prosperity of the public credi-
“ tor; and would render the contention very
“ unequal, if ever we come to that extremity.
“ One would incline to assign to this event a very
“ near period, such *as half a century*, but I
“ shall not assign any precise date; I shall con-
“ tent myself with pointing out the event in
“ general.”

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